

The NATIONAL UNDERWRITER

MILLERS NATIONAL INSURANCE COMPANY • CHICAGO

1865  1937

FINANCIAL STATEMENT

December 31, 1936

ASSETS

Government Bonds (Canada).....	\$ 174,694.23
Government Bonds (United States).....	1,629,265.80
Railway Bonds	537,392.24
Public Utility Bonds.....	855,569.26
Stocks	459,305.00
Cash in Banks and on Hand.....	935,398.85
Premiums in Course of Collection.....	408,075.78
Reinsurance Recoverable on Losses.....	7,457.01
Total Funds Convertible Into Cash on Short Notice.....	\$5,007,158.17
School Bonds	407,121.02
State, Municipal and County Bonds.....	534,403.41
Industrial and Other Bonds.....	159,814.84
Real Estate	77,815.80
Accrued Interest on Investments.....	38,500.72
*Total Assets	\$6,224,813.96

LIABILITIES

Unpaid Losses, Net.....	\$ 235,792.98
Reserve for Unearned Premiums.....	2,492,594.42
Reserve for Accrued Taxes.....	60,000.00
Reserve for Accrued Expenses.....	40,000.00
Reserve for Contingencies.....	800,000.00
Total Liabilities	\$3,628,387.40
Permanent Fund	\$1,000,000.00
Net Surplus Over All Liabilities.....	1,596,426.56
Total Surplus	\$2,596,426.56

*December 31, 1936, Security Values are those established by the National Convention of Insurance Commissioners. Market values are \$221,287.08 higher.



"NOT THE MAN HIS FATHER WAS"

"In some thirty years of watching this insurance scene I've seen a number of young men succeed to their fathers' agencies. I've heard what their competitors planned to do to the businesses. I've listened to company men who supervised these agencies compare the fathers and sons. And in each case someone has said: 'He's not the man his father was'.

"Most of the time the skeptics were right for only a short time. Frequently the second generation turned out even better than the first.

"The men who had forebodings about the sons were comparing full-grown, ripe apples with the green fruit that one finds in the orchards in June. Many of the sons have become more successful than their fathers. Why not?

"Insurance is a bigger, better business than it

was three or more decades ago. More lines to write. More volume in each line. Better recognition of the value of protection.

"And today the young man going into insurance doesn't have to flounder through his first years. The information about insurance is more extensive than formerly. While a man has to know more, he can get this information more easily. It has been organized, put down on paper. It is available to those who want to know."

The Travelers Companies have courses of study in various lines of insurance and throughout the United States and Canada trained men ready to help those who want to help themselves. Thousands of agents have added to their

equipment for success through the service that has been developed as the result of the establishment of a training school at the Travelers home office thirty-four years ago.

Last year The Travelers began offering a four-week course in Life, Accident and Group Insurance at the home office for prospective agents. About 30 young men are admitted to each class. Usually there are two or three sons of insurance agents enrolled—men who (as yet) are not the men their fathers are.

The Travelers Insurance Company
The Travelers Indemnity Company
The Travelers Fire Insurance Company
The Charter Oak Fire Insurance Company
Hartford, Connecticut

LOYALTY GROUP**OLD MAN RIVER ON THE RAMPAGE**

THE TRAGIC NEWS of the flooding rivers in the Ohio and Mississippi valleys draws all America to their radio receivers to listen, to sympathize and to help their suffering fellow citizens.

HEROIC WORK is being done by tens of thousands of volunteer rescuers on the spot—giving their last ounce of strength in the effort to save life and alleviate suffering.

As always, THE AMERICAN RED CROSS is on the job night and day with every conceivable service to the victims of disaster.

We cannot all row a boat, operate a radio sender, service a soup kitchen or nurse the sick, but ONE THING WE CAN DO—draw another check to the AMERICAN RED CROSS for flood relief—a generous check, in keeping with the magnitude of this calamity.

Against the ravages of flood, the victims are provided with little or no insurance, but the quick response of a great-hearted people in meeting tragic emergencies is a form of INSURANCE that has never failed in America.

Send Your Contribution Now—Yours May Be The Need Tomorrow

LOYALTY GROUP

Firemen's Insurance Company of Newark, New Jersey

The Girard Fire & Marine Insurance Co.

The Mechanics Insurance Co. of Philadelphia

Superior Fire Insurance Company

The Metropolitan Casualty Ins. Co. of N. Y.

Milwaukee Mechanics' Insurance Company

National-Ben Franklin Fire Insurance Co.

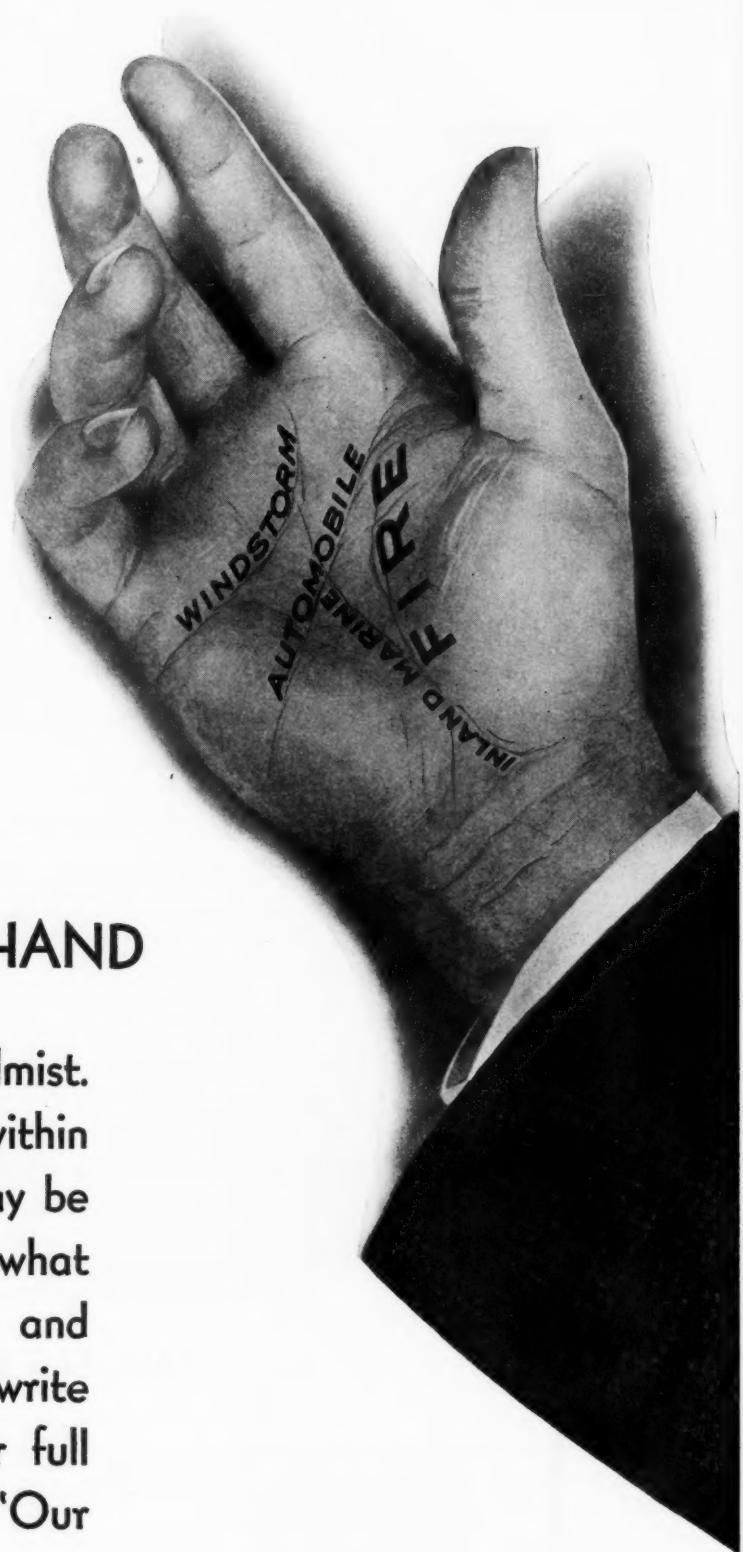
The Concordia Fire Ins. Co. of Milwaukee

Commercial Casualty Insurance Company

WESTERN DEPARTMENT
344 RUSH STREET, CHICAGO, ILLINOIS
CANADIAN DEPARTMENT
481 BAY STREET, TORONTO, CANADA

EASTERN DEPARTMENT
10 PARK PLACE
NEWARK, NEW JERSEY

PACIFIC DEPARTMENT
220 BUSH STREET, SAN FRANCISCO, CAL.
SOUTH-WESTERN DEPT.
912 COMMERCE STREET, DALLAS, TEXAS



THE "LINES" IN YOUR HAND

No, we are not turning palmist. We mean the insurance lines within your grasp. Fire Insurance may be your agency "life-line" but what about Automobile, Windstorm and the forty-odd other lines we write including Inland Marine? For full details send for your copy of "Our Facilities" booklet.



**NORTH BRITISH & MERCANTILE
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150 William Street, New York

Forty-first Year—No. 5

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, FEBRUARY 4, 1937

\$4.00 Per Year, 20 Cents a Copy

\$2,000,000 Waits on Walker Case Jury

Suspense Is Keen as 11 Men Retire to Decide on Big Whisky Loss

PLAINTIFFS HAVE LAST SAY

Four Weeks of Testimony in Trial Involving Fallen Building Clause of Policy

Wednesday evening the jury was told to seal its verdict if one was reached.

Tense and thrilling was the suspense Wednesday morning as the jury, at the end of four weeks of testimony withdrew to consider its verdict in the case of Hiram Walker & Sons' Distilleries, against the Springfield and 11 other companies, after hearing the charge of Judge J. P. Barnes in federal court at Chicago. Insurance of \$310,070 on building and \$1,500,000 on contents hung on the verdict.

So close was the timing between fire and fall that an insurance man who had watched the case daily had no better guess on the outcome than the flip of a coin.

Plaintiffs Had Last Speech

Some of the insurance men who nearly filled the courtroom on Tuesday to hear the arguments of counsel expressed satisfaction that the jury would have a night to think them over before starting their deliberations. They hoped the jury would sort out the plaintiffs closing arguments for themselves, since the defense lawyers had no more chance to talk.

F. X. Busch, chief counsel for plaintiffs, had the opening and the closing speeches, with Floyd E. Thompson and C. B. Hamilton for the defense in between. He strategically divided his time so he had most of it after the defense had finished. In his closing talk he "demonstrated" that the walls at the northwest corner must have been knocked down by an explosion, and then also proved from other testimony that they were distinctly standing after the "explosion." He proved from the architects and experts that the building was so strong and well built that it could not possibly have fallen, implying that the architects and contractor had merely decided it was a swell afternoon to shore up the west end. It was little things like this that the insurance men hoped the jury would figure out for themselves.

One Juror Out for Illness

The case went to a jury of eleven men. One of the jurors was unable to appear this week because of tonsilitis.

The evidence was all in last Friday and the arguments were set for Monday.

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Receding Flood Waters Leave Insurance Worry

Cincinnati Is Busy Engaged in Getting Back on Its Feet

By A. W. HESSEL

CINCINNATI, Feb. 3.—The Ohio river at Cincinnati is receding very slightly from its peak of 79.99 feet reached at 2 a. m. Tuesday. A maximum greater than 83 feet is impossible because of the formation of a new watershed at that level. The river is expected to be within its banks Sunday.

The fire hazard is very great because water has been available only twice a day for drinking purposes in one-hour periods and the supply will probably further be curtailed because of the rapid depletion of the reservoirs. No smoking is permitted along the waterfront because of the danger of combustion of leaking gas mains and floating oil on top of the water. The difficulties the fire department is having in fighting fires without a water supply was shown by a blaze which started in a service closet of the 39 family Riverview apartments in Walnut Hills from a candle, causing a loss estimated at from \$2,000 to \$3,000. Water in an old cistern under the street was credited by firemen with saving the large 10-story building, although the supply was speedily exhausted. Firemen from 15 companies laid down almost a mile of hose to pump water from the river, five pumpers relaying it from that point. About half of the city received no water at all from the time the supply was first turned off Sunday afternoon when the pumping stations were inundated. This was particularly true of hilltop suburbs such as Mt. Auburn and Walnut Hills. Normal water supply is expected Saturday.

There is great danger of boiler explosions, although none have occurred at this time. W. E. Glennon, chief inspector of the Hartford Steam Boiler, warned that no attempt should be made to place flooded electrical equipment in service until it had been inspected and the insulation reconditioned. In many cases where there were stoker fired boilers, Mr. Glennon was arranging for hand firing and where there was danger of inundation the boilers were shut off. The Hartford has 30 men in the field in its Cincinnati territory normally but many of these were marooned and their whereabouts unknown. From 15 to 20 inspectors are on the way from Hartford, Chicago, and other points. Other boiler companies were taking similar steps. Mr. Glennon said that about 3,000 plants were affected on which his company had boiler insurance in the Cincinnati territory. The city gas supply was sufficient for all needs.

G. W. Neare, Neare, Gibbs & Co., Cincinnati marine general agents, had no reports of river marine losses up until Tuesday, but communication with many points along the river was interrupted.

Superintendent E. J. Ader of the Underwriters Salvage Corps estimated that Cincinnati 1937 fire losses were at

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Loss Adjustments and Public Service Work Now Occupy the Business

With the flood waters of the Ohio receding, the consequences to insurance and the insurance problems involved in the catastrophe are each day being better appreciated. Communication with Louisville and some of the other cities that had been all but isolated was restored this week. From an insurance standpoint, the situation is still vague and confused in many respects. There are many things insurance people want to learn.

Insurance will be occupied with making loss settlements on account of fire, on account of water damage to automobiles insured under the comprehensive contract, on account of damage to property under various marine forms—transit, bridge, householders comprehensive, and a variety of all-risks covers, on account of plate glass breakage, burglary, on account of water damage to those few but important risks such as Woolworth and Kress that do have straight flood cover.

Public Service Work

Insurance, too, will be occupied in providing that type of public service that is, also, of broad value to insurance, cooperating in the restoration of fire protection and power facilities and in guarding against the emergence of special hazards in the reconstruction period.

Insurance will be busy reviewing its risks in the light of the flood aftermath inspecting foundations of risks, watching for moral hazard situations, gathering information for intelligent underwriting, etc.

Agents will be busy, salvaging their records, obtaining duplicates of those destroyed, reconditioning their offices, and getting their business operations back to normal. Field men will be busy, aiding these agents.

Although insurance will not be called upon to replace the vast damage of the flood, it will have losses running into the millions and it will have a vital interest in the rehabilitation.

Hard to Tell Damage

Estimates of the flood damage vary. Some have been disposed to minimize it, saying that the regions inundated this year are perennially so visited, the only difference this year being that there is more water, and contending that the job ahead is one only for the scrubwoman. Others, however, declare that many extraordinary losses were caused in this flood. For instance, some of those from Louisville point out that theirs is a city of tobacco and liquor. They say much tobacco was soaked and ruined, that the fate of much liquor is uncertain. Many small manufacturers suffered in particular ways. There is a manufacturer of base ball bats in Louisville. The wood

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Page Is President of Fireman's Fund

J. B. Levison, Head of Company for 20 Years, Becomes Chairman of Board

VETERAN IN INSURANCE

Started His Career in 1875 and Has Taken Active Part in Many Constructive Movements

SAN FRANCISCO, Feb. 3.—J. B. Levison, president of the Fireman's Fund since April 1, 1917, and president of its affiliates in the Fireman's Fund group, which have been organized during his presidency of the parent company, has at his own request been relieved of the burdens of the presidency, being elected chairman of the board at a meeting here yesterday.

Charles R. Page was elected president succeeding Mr. Levison. Similar action by the directors of affiliated companies will make Mr. Levison chairman and Mr. Page president of all companies comprising the Fireman's Fund group.

Mr. Levison has gained wide recognition for his ability and leadership. He was chiefly responsible, during the difficult months following the San Francisco disaster of 1906, for the execution of the daring plan of rehabilitation by which the Fireman's Fund was successfully led out of its difficulties to retain a position of leadership. His entire business career has been devoted to insurance. He was personally responsible for the entrance of the Fireman's Fund into the field of automobile insurance, the first company to write that line on a nationwide basis.

In Business Since 1875

Born in Virginia City, Nev., Mr. Levison was brought by his family to San Francisco in 1875, and soon obtained his first job, in the office of the New Zealand. Two years later he secured a position in the marine department of Hutchinson & Mann, prominent San Francisco agency.

When a group of San Francisco financiers organized the Anglo-Nevada Assurance in 1886, he joined the new concern as marine clerk, being later elected marine secretary. With the absorption of the marine business of the Anglo-Nevada by the Fireman's Fund in 1890, Mr. Levison moved to the Fireman's Fund as marine secretary. In 1900 he was named second vice-president, still retaining his supervision of marine operations. In 1914 he became vice-president, and was elected president in 1917, following the retirement of Bernard Faymonville. He has therefore held the position longer than any president except D. J. Staples, who served from 1867 to 1900.

During his 20 years as president the four affiliates of Fireman's Fund have

(CONTINUED ON PAGE 8)

Washington State Offers Gloomy Insurance Picture

By IRWIN MESHER

SEATTLE, Feb. 3.—Washington's fire and casualty picture is confusing from every angle. When final figures for 1936 are available, they will show lowest fire premium income in many years, probably dropping to approximately \$6,000,000, which is roughly half of what the state produced in 1928. From an experience standpoint, however, it will be better off, although the 1936 loss ratio is expected to be close to the red owing to diminished volume.

The state faces another lean year fire-wise in 1937, scarcity in business being directly traceable to heavy cancellation and rewriting at the time the present deviation of 30 percent from published rates went into effect in February, 1935. Business was generally rewritten either for three or five years at that time.

Actual Loss Jump

Aside from the factor of diminishing volume which contributed to a higher loss ratio in 1936, the dollars and cents losses in Washington have increased sharply. There have been a number of large losses, but what alarms underwriters is the steady drain made by the smaller ones and the frequency and distribution of them. It is a reminder of the pre-depression days when Washington's loss ratio skyrocketed past the 70 percent mark. No better example of operation of the moral hazard factor can be found than in this state. When its basic industries begin pumping life into dried-up trade channels, it seems inevitable that the fire loss ratio starts upward.

Future trend of the fire business may be determined to a large extent by the legislature now in session. There is approximately \$500,000 in premiums at stake as result of introduction of a state fire fund measure for protecting all public property. Generally speaking, this business is of a good classification and is in the "black." Sponsors of the measure are the Washington State Grange and other rural interests that have experienced some difficulty in loss adjustments. Companies that stand to take the heaviest losses are the participating carriers. Particularly is this true of the Northwestern Mutual Fire of Seattle, a heavy writer of rural school business. Stock companies participate in a large volume of protected business, particularly in Seattle, where all publicly-owned Port properties are written through the King County Insurance Association, and in Everett, Bellingham, Yakima, Spokane, Wenatchee and Walla Walla.

Outlook Serious

The outlook for the passage of the Grange measure is serious. The act has militant support of a strong bloc in both houses. However, the insurance committees in the house and senate are conservative. Governor Martin is opposed to this type of legislation, and particularly to a state fire fund. He vetoed the same bill two years ago.

Agents are hopeful that Commissioner Sullivan's proposed qualification law will get a favorable nod from the legislators. The measure was introduced Jan. 26 and requires written examination of all applicants. Life companies may secure 90-day temporary licenses. The reduced premium volume has slashed agency income heavily during the past two years. The agents hope that a qualification law will weed out numerous part-time competitors and thus help restore some of the lost volume.

From a casualty standpoint, volume is stable without any marked fluctuation. The so-called stabilized rate level in automobile business has become a myth. Numerous deviated filings have been made and now there are varied rates in use by a number of carriers. There are,

however, no radical departures from published rates. Merit rating and low limits automobile policies are being offered. Casualty underwriters are skeptical over the loss outlook. The ratio is steadily climbing in keeping with the mounting accident frequency.

Automobile accident prevention is assuming serious proportions in Washington. There is much sentiment in the 1937 legislature for state control and even for state insurance. There are two bills calling for state funds. In reality these measures are not liability fund bills. They are, more accurately, automobile accident compensation funds. Each provides for compulsory assessment of premiums before licenses are issued. Accident victims would receive compensation on a scale comparable to that paid by the monopolistic workmen's compensation act. One bill fixes the annual premium at \$3.25, while the other measure provides for a fluctuating scale, private cars paying \$10; trucks, \$15; and busses, \$25.

BILL FILED IN WASHINGTON

The A.A.A. financial responsibility law has already been introduced in Washington and is receiving widespread support in insurance circles. Another bill would give the commissioner jurisdiction over the workmen's compensation fund, which, at present, is under

New Commissioner Has Been Named in Vermont

MONTPELIER, VT., Feb. 3.—D. A. Hemenway, special agent in Vermont for the Maryland Casualty, with headquarters in the Smith, Jackson & Howard agency of Burlington, has been appointed insurance commissioner of Vermont. He has been confirmed by the senate. Mr. Hemenway is 30 years old, a native of Sheldon Springs, Vt., and a graduate of the University of Vermont in 1928. He was a classmate of the present deputy commissioner, A. D. Pingree. Mr. Hemenway was formerly in the agency of Hickok & Boardman in Burlington. G. B. Carpenter, the present commissioner, was appointed in August, 1935, to succeed L. D. Meredith, who resigned to join the executive staff of the National Life of Vermont. He had served twice previously as commissioner between 1919 and 1923.

the direction of the department of labor and industries. Commissioner Sullivan is seeking the enactment of several bills which will tighten up the Washington code. He is seeking wider powers to assess fines and enforce the insurance laws.

Neenah Officers Reelected

NEENAH, WIS., Feb. 3.—Officers of the Neenah Insurance Underwriters were reelected at the annual meeting. They are C. F. Gerhardt, president; E. L. Rickard, vice-president, and Harold R. Hanson, secretary-treasurer.

THE WEEK IN INSURANCE

Charles R. Page elected president of Fireman's Fund. J. B. Levison becomes chairman of board. **Page 3**

Story of insurance features in the flooded cities is of interest. **Page 3**

An aggressive stand to promote the interest of stock insurance and study of methods of meeting the public's needs urged by President H. L. Simpson before the Fire Underwriters Association of the Pacific. **Page 5**

Carl N. Homer, in San Francisco talk, rapier writing of third-party insurance by fire companies, believes extension of underwriters' agencies is due to agency limitation activities. **Page 6**

Commissioner Smith of Utah discusses Insurance Commissioner's work at meeting of Fire Underwriters Association of the Pacific in San Francisco. **Page 4**

Walgreen Drug Company reported to have had \$200,000 flood loss insured in the Manufacturing Lumbermen's Underwriters. Superintendent O'Malley urges supreme court to act promptly in Rankin-Benedict writ. **Page 6**

Action urged by speakers to modernize fire insurance business at annual Fire Underwriters Association of the Pacific meeting. **Page 5**

D. A. Hemenway, special agent of the Maryland Casualty, is appointed insurance commissioner of Vermont. **Page 4**

New York Insurance Exchange adopts drastic procedure to punish violations of its rules. **Page 16**

Much interest is taken in the efforts to combine all the rate making machinery in the New England states except New Hampshire under one head. **Page 22**

M. P. Cornelius becomes president of the Continental Casualty of Chicago and H. A. Behrens, who was president, is made chairman of the board. Roy Tuchbreiter is first vice-president of both the Continental Casualty and Continental Assurance. **Page 35**

M. C. Kennedy, Hartford Fire's San Francisco automobile manager, outlines coordination of motor units of fire and casualty carriers, in addressing Fire Underwriters Association of the Pacific. **Page 37**

Superintendent Pink of New York confirms his previous tentative decision to reduce the automobile public liability rates in New York City \$5. **Page 37**

Commissioner Is Just Average Man

Smith of Utah Outlines Supervisory Official's Work in San Francisco Talk

ATTITUDE HAS CHANGED

No Longer Take Position That Company Is Always Wrong—Discusses Education, Legislation

SAN FRANCISCO, Feb. 3.—Commissioner E. A. Smith, Jr. of Utah painted a composite picture of the insurance commissioner of today in an address at the annual meeting of the Fire Underwriters Association of the Pacific on "Some Duties of the Insurance Commissioner."

The insurance commissioner is, he said, the average man, generally appointed because of political preference or because he is recognized as a man of ability, who takes the job with the idea of doing his best towards rendering impartial service in the most efficient manner of which he is capable. He thinks about the same thoughts, eats the same food, and likes the same things as other people. He is up against a very important job and deep down in his heart he knows that he needs help. Therefore, he wants the confidence, the support and needs the unselfish, constructive suggestions of the men in the business.

Change in Attitude Told

He traced the change in the attitude of commissioners since the day when they were considered as champions of the public, whether right or wrong and committed to defend it against the company.

"I take it that it is the duty of the insurance commissioner to supervise, encourage and protect the company," he said. "After the company has complied fully with the laws of the state and the regulations of the insurance department, that company is entitled to every support from public officials." No longer, he said, does the commissioner take the position that the company is always wrong. "Experience has taught him otherwise."

He decried the tendency on the part of some companies to use insurance departments as adjustment bureaus. In extreme cases the department can lend its offices in an advisory capacity, but ordinary controversial matters should not take the time of the department, he said.

Education of Public

He stressed the necessity for education of the public as "one of the most important obligations that should be recognized by every company." "Some people," he said, "seem to think that an insurance company is a combination of charitable institution, gambling device and community chest. The public should know that insurance today is an institution of public trust, an impartial guardian against economic loss and an instrument of public security. In the interests of mutual understanding every effort should be made towards policy clarity. The insurance policy should not be a document of mystery. A simplified policy, up-to-date to meet modern conditions and clarified as to wording and arrangement, would be most desirable."

A campaign of education, he said, would not only do away with many misunderstandings on the part of the **(CONTINUED ON PAGE 50)**

Modernization Asked at F.U.A.P. Meet

Remove Mystery in Public Relations

President Simpson of F. U. A. P.
Urges Closer Relations
With Clients

STUDY NEEDS FOR COVER

Better Understanding of Problems Involved Will Clear Up Many Difficulties—Action Urged

Removal of the "mystery" concerning stock fire insurance from the minds of the public; assumption of a "little more aggressive" attitude on the part of the companies and their representatives, and an increased willingness to meet present day conditions through broadened and new forms of cover; coupled with increased knowledge and service, will go far toward solving many of the problems with which stock insurance is today confronted, declared Harry L. Simpson, president of the Fire Underwriters Association of the Pacific in his address at the annual meeting in San Francisco. Mr. Simpson is associate Pacific Coast manager of the Great American and Phoenix of Hartford groups.

As a means to this end Mr. Simpson suggested that there be frequent and free conference with trade and industrial associations whose members are clients of stock companies and that a national committee or research bureau study the requirements of these clients so that stock companies can comply "instead of waiting until our competitors have discovered their needs and forced us to act."

Confer on Problems

"Stock insurance men should explain their problems and solicit the counsel of the trade associations for, after all, we are each striving for the same end, only through different channels. Possibly they could help us and we might be of some assistance to them. Certainly such meetings would give them a better understanding of the insurance business and relieve us of much undeserved criticism. Let us erase the mystery from the minds of the public about insurance, for it must be admitted that it is only a few who understand or appreciate the difficulties we are meeting up with and are willing to assist in times of need. We often fail to realize the needs and proper demands of business until too late, then, disgusted with our own negligence, do things in haste which we later regret and which likewise bring criticism from the public. I realize that it is impossible in this or any other business to bring about perfection, but I do believe that a better knowledge by us of our business with a sincere effort to meet the requirements of general business with proper service will bring about improvement, lighten the load and pave the way for a future free from many of the pitfalls that confront us today."

He pointed to the value of proper service and proper salesmanship, warning, however, of the danger of too many rate reductions, particularly in view of the constant trend upward in the loss ratio, which, he said, indicates a return

(CONTINUED ON PAGE 49)

Streamline Fire Business to Meet Needs Is Keynote

Initiative in Modernization of Contracts and Practices Urged by Appleton

Modernization of policy contracts with fewer exclusions, more comprehensive coverages, assumption of the initiative in modernization, use of rates and regulations that can be justified, coupled with a higher standard of salesmanship, will go a long way toward meeting public demand, declared G. C. Appleton, president of the California Association of Insurance Agents, at the annual meeting of the Fire Underwriters Association of the Pacific in San Francisco.

Discussing "Our Obligation to the Insuring Public," Mr. Appleton pointed out that while cooperation between companies and agents is essential, the question should not overshadow the real issue and bring about a shortchanged, selfish viewpoint of what constitutes the real problem of the business. He made a plea that the "mystery" be removed from the insurance business, pointing out that today the public is enlightened, "demanding facts, not fiction; demanding truth, not evasion; and demanding also service in the full sense of the word."

Modernize Contracts

"In meeting public demand we must modernize our policy contracts. The public today is demanding fewer policies, fewer exclusions and more complete coverages. We have been too reticent to change from long established rules and regulations. We have been content to sit back passively, meeting competitive demand only, and failing in large measure to take the initiative that is expected of the organized companies

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Give Pacific Board Salaried Officials More Authority, Says Nason

The fire insurance business must be streamlined, said H. W. Nason, assistant Pacific Coast secretary of the America Fore group, at the Fire Underwriters Association of the Pacific meeting in San Francisco. The Pacific Board "has firmly withstood constant raids from without and the more insidious intrigue from within," he said. "We are face to face with what seems to be a self-created competitive situation which no longer appears to remain in the category of 'life of trade' but rather of the destruction of trade. We must not overlook the force of acceleration. How much of this are we responsible for—how much is controllable and how much uncontrollable and can we reduce or correct it? I am not dealing in terms of rates and price-cutting. That is a result not necessarily the cause."

United Front Urged

He urged the insurance business to lend an ear to what is going on about it and to present a united front "to serve the public and in so doing, reap a just reward." He stressed the necessity for proper agency service, with a plea for properly qualified agents. "Our first step is to get our first line troops, our sales force, 100 percent steadfast. We should take them into our confidence to the fullest extent; they must feel that headquarters are back of them to the last man. The companies may at first have to make some sacrifice at the price of eliminating those agents not qualified to hold that first line, but think what a stimulating effect it would have on the majority in the ranks.

(CONTINUED ON PAGE 49)

New F. U. A. P. President Elected



JOY LICHTENSTEIN
New President



HARRY L. SIMPSON
Retiring President

Joy Lichtenstein, Pacific Coast manager of the Hartford Fire and vice-president of the Hartford Accident, was scheduled to be elected president of the Fire Underwriters of the Pacific at the annual meeting this week in San Francisco. He succeeds Harry L. Simpson, associate Pacific Coast manager of the Great American and Phoenix groups.

Progress Urged at Coast Gathering

Call for Action in Revising Methods of Conducting Business

SIMPSON GIVES KEYNOTE

Greater Understanding of Public Needs Is Imperative—Complacency and Self Satisfaction Hit

Joy Lichtenstein, Pacific Coast manager of the Hartford Fire and vice-president of the Hartford Accident, was scheduled to be elected president of the Fire Underwriters Association of the Pacific at the annual meeting in San Francisco. Mr. Lichtenstein, who has been vice-president, succeeds Harry L. Simpson, associate Pacific Coast manager of the Great American and Phoenix groups. J. K. Woolley, manager Washington Surveying & Rating Bureau, will be named vice-president and H. B. Mariner, Pacific Board, secretary-treasurer since 1931, will be re-elected.

By A. V. BOWYER

SAN FRANCISCO, Feb. 3.—Sounding the clarion call for action in discarding old traditions and adopting more intelligent and modern methods of conducting the fire insurance business, speakers before the annual meeting here of the Fire Underwriters Association of the Pacific reflected an almost unanimous opinion that "something must be done." Practically every speaker touched upon the necessity for greater understanding of public needs and present economic business trends as well as the development of facilities to intelligently serve those needs.

Several speakers challenged the capabilities of the special agents and managers. Others declared the fire insurance business has bound itself by an attitude of superior complacency and self-satisfaction and that it has too often emulated the posture of the ostrich and all too frequently accepted the defensive instead of attempting to aggressively justify its position or take the initiative in the adoption of more modern services to accelerate its progress.

Need Public Relations Plan

Sound public relations work on the part of the Pacific Board and organization companies generally would go a long way toward eradicating many of the problems which now confront the business and would also do much toward prevention of similar problems in the future, it was declared.

The first note along these lines was sounded by President Harry L. Simpson, associate Pacific Coast manager of the Great American and Phoenix, who urged cooperation with industrial groups to create a better understanding.

"Work—in your own backyard," R. W. Doe, vice-president Safeway Stores, urged in an inspirational talk. He said insurance men must keep abreast of the time. He inquired about changes in the insurance business, (CONTINUED ON PAGE 27)

Insurance Journalists Ride in New "Sky Lounge" Plane

INTEREST IN SAFETY DEVICES

Trip Arranged Through Courtesy of United Air Lines and U. S. Aviation Underwriters

NEW YORK, Feb. 3.—A chance to sample the last word in air travel luxury was afforded New York City insurance newspaper men this week, giving those who write aviation insurance news an opportunity to keep up with the latest developments. Through the courtesy of the United States Aviation Underwriters and its production manager, W. L. Jack Nelson, and one of its prominent clients, United Air Lines, local editorial men cruised for the better part of an hour over the metropolitan area in one of the new "Sky Lounge" ships, which are the ultimate in daytime air transport.

These are the planes used in the new York-Chicago extra fare service, added luxury being provided by having 14 seats in the space usually occupied by 21, and making the chairs even more comfortable than a Pullman parlor car's and capable of being turned in any direction.

An Eye-Opener to All

Though half of the newspaper men making the trip had never been up in a plane, all were enthusiastic about the flight. The roominess, stability, luxury and quietness were a revelation even to seasoned air travelers. The ship in which the trip was made is a Douglas

Fire Company Experience for Main Lines in 1936

American Auto. Fire, Mo.

Net Prem. Losses Pd.

Motor vehicle \$1,936,482 \$ 648,384

American Ind., Tex.

Net Prem. Losses Pd.

Fire \$ 133,896 \$ 31,423

Motor vehicle 1,153,138 428,741

Tornado-windstorm. 16,262 6,624

Other lines, fidelity and surety 56,512 —1,834

Eastern Shore, Va.

Net Prem. Losses Pd.

Fire \$ 58,888 \$ 37,656

Lafayette Fire, La.

Net Prem. Losses Pd.

Fire \$ 94,748 \$ 20,820

Tornado-windstorm. 6,975 926

Old Dominion Fire, Va.

Net Prem. Losses Pd.

Fire \$ 26,059 \$ 11,805

Motor vehicle 1,167 605

Pioneer Equitable, Ind.

Net Prem. Losses Pd.

Fire \$ 92,187 \$ 57,730

Tornado-windstorm. 19,685 3,977

equipped with two twin-row Wasp engines, developing 1100 horsepower each, giving a cruising speed of 194 miles an hour, or considerably more than three miles a minute.

While a strict Department of Commerce regulation forbids any passenger entering the pilots' compartment during flight, those making the trip were permitted to inspect, after landing, all the bewildering array of dials and levers which enable the pilots to operate with the maximum of safety at all times. They also had an opportunity of inspecting the other types of transport planes in current use.

Wants Fire Companies to Cover Only Property Losses

HOMER OPPOSES EXTENSION

Speaker at F. U. A. P., Meeting Says

Limitation Activities Breed More Underwriters Agencies

SAN FRANCISCO, Feb. 3.—Strong opposition to the practice of fire companies undertaking risks and issuing contracts of indemnity through their marine departments which they could not and would not undertake in their fire department was expressed at the meeting here of the Fire Underwriters Association of the Pacific by Carl N. Homer, manager fire department Swett & Crawford general agency, San Francisco, who has had wide experience both as a local agent and as a field man. He also decried the extension of underwriters agencies, but declared that agency limitation, either by law, company rule or board rule, is primarily responsible for this situation.

Cover Property Losses Only

"I find it difficult to support the idea that the insurance companies should undertake to write the various forms of liability insurance," he said. "As I see it, a fire company should be permitted to insure against property losses only. The problem of insuring against loss of life or accidental injury, or the liability imposed by law against a person for death, personal injuries or damage

(CONTINUED ON PAGE 50)

Report Walgreen Had Flood Cover in Failed Reciprocal

O'MALLEY ASKS WRIT ACTION

Missouri Superintendent Asks Supreme Court to Hasten Procedure on Change of Venue

KANSAS CITY, Feb. 3.—It is reported here from several sources that the Walgreen Drug Company, one of the large accounts of the Manufacturing Lumbermen's Underwriters, carried flood protection with it and has suffered a \$200,000 loss in the Ohio-Mississippi valleys flood. Louisville is mentioned as the scene of a large loss. Apparently Walgreen did not cancel its MLU coverage and secure protection elsewhere as many subscribers and policyholders at the exchange did. Just what Walgreen's MLU flood coverage covered—buildings, or stocks, or both—has not been disclosed.

O'MALLEY URGES ACTION

JEFFERSON CITY, MO., Feb. 3.—Superintendent O'Malley of Missouri has filed a brief in the supreme court urging prompt action on the writ of mandamus filed by Rankin-Benedict Underwriting Company, attorney in fact for Manufacturing Lumbermen's Underwriters, to make Judge Bird of the Kansas City circuit court act on a motion for change of venue.

Mr. O'Malley points out that his counsel urged Judge Bird to grant the change of venue in order to eliminate

(CONTINUED ON PAGE 50)

FIGHT HUGE FIRE WHICH THREATENED CINCINNATI

The \$1,500,000 Mill Creek fire loss in Cincinnati on Jan. 24, when the Ohio river flood was in its early stages, intensified the fears regarding the fire hazard created by floating gasoline tanks and the curtailed water supply. These pictures taken by A. W. Hessel, editor of "Fire Protection," show the conflagration caused when 50,000 gallons of gasoline were ignited by a fallen electric wire.

1. View of Crosley ruins. Three story building in rear owned by Triumph Manufacturing Company, also involved and burned out. The tower at extreme left is that of the Crosley main building, which was connected to the building burned out (foreground) by a bridge. Main Crosley building not damaged greatly, although fire on gasoline at start burned windows out on side toward the flood.

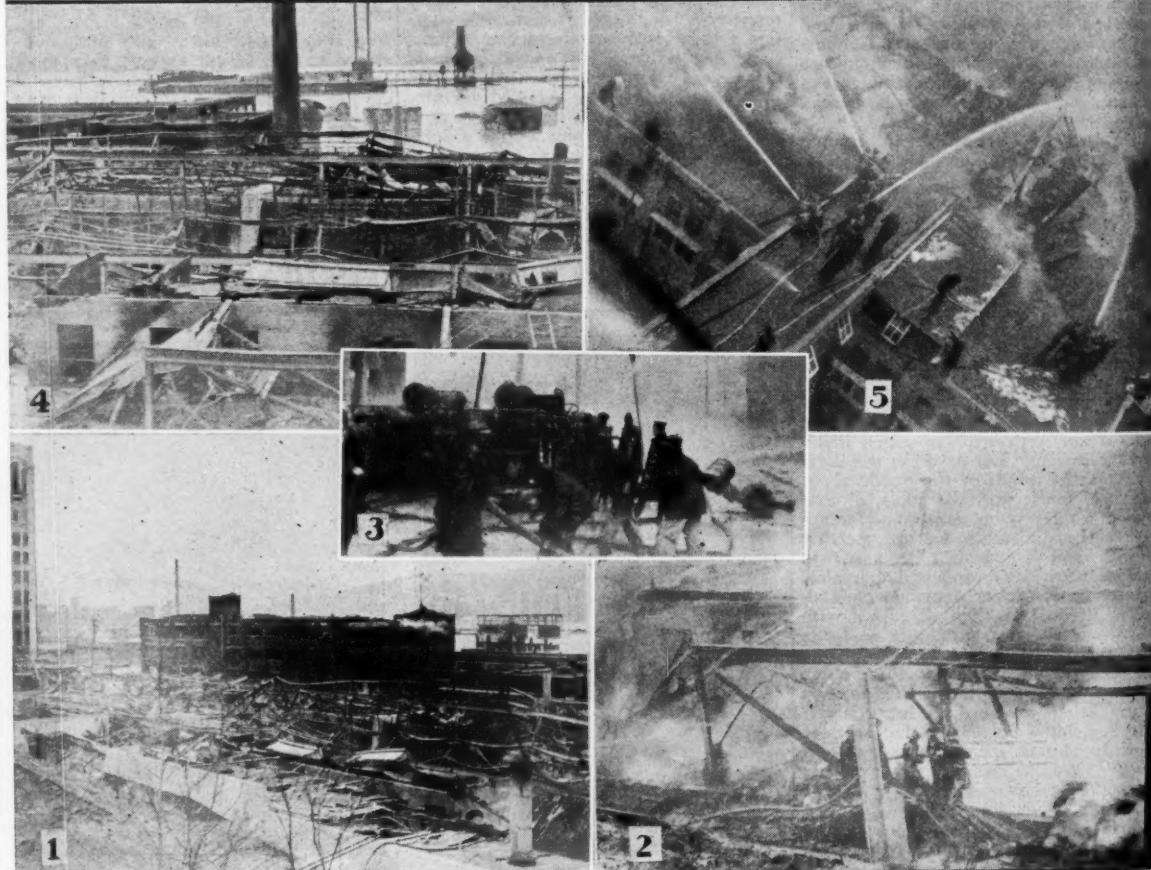
2. Firemen working line during height of fire. They are standing just inside Crosley building.

3. Pumpers drafting water at flood's edge to conserve water supply. Flood waters reached water works pumping stations the same afternoon, causing city to be put on water rations.

4. Wreckage of Crosley plant, looking across Mill Creek valley. Gasoline tanks in middle background belong to the Standard Oil Company. In rear, building from which two slender stacks rise is roundhouse which was damaged by fire several days before Crosley fire.

5. This photo taken from roof of main Crosley plant. Firemen are working on bridge connecting main plant and plant across the street, which was badly damaged. At time of the fire, flood waters reached to just below this bridge while the crest sent it about 50 feet farther.

Gasoline tanks in the flooded area had released some 50,000 gallons of ethyl gasoline which floated on the water two or three days before a falling electric wire ignited it. The fire flashed over the water, and involved buildings in an area of about three or four square miles.



These pictures show the largest buildings involved. Here firemen faced the worst opposition.

Firemen could not work from the water side in boats as back pressure of nozzles would whip the boats around. They

were forced to work from a bluff alongside the involved Crosley building, and from the building's roof itself. One group was trying to hold the fire in the Crosley building, while another was on the roof, throwing water on burning

buildings and gasoline tanks beyond. They drew water from the flood to conserve the threatened water supply. All during the fire, there was some gasoline present on the water, but fortunately it did not light up again.

DON'T LOOK NOW--

out

that client whose fire insurance you just renewed, would have bought other *needed* insurance coverages — if you had told him about them !

America Fore Insurance

THE CONTINENTAL INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane.

NEW YORK

CHICAGO

SAN FRANCISCO



and Indemnity Group

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY

BERNARD M. CULVER, President

New York, N.Y.

ATLANTA

DALLAS

MONTREAL



**Indemnity
Insurance Co.
OF
North America
PHILADELPHIA**

**CASUALTY
FIDELITY
SURETY**

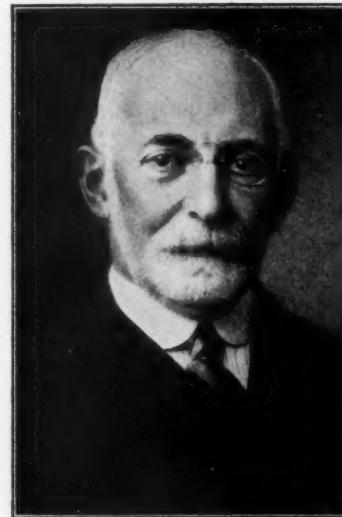
CAPITAL \$1,000,000

**Unquestioned Financial Stability.
Unique, Convenient Policies.
Complete, Efficient Service.**

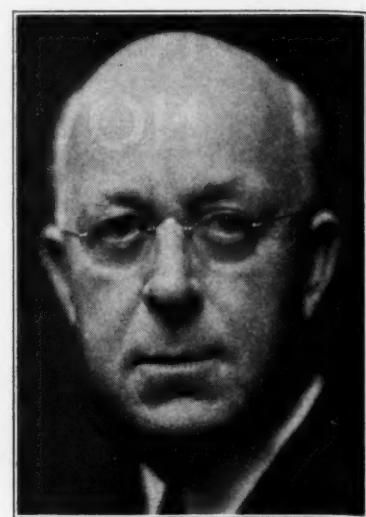
All Modern Coverages.

**Combination Automobile Policy,
Combination Residence Policy and
Complete Golfer's Policy issued jointly
with allied fire companies.**

New Fireman's Fund President



J. B. LEVISON



C. R. PAGE

Charles R. Page, who has been vice-president of the Fireman's Fund, has been elected president of that company to succeed J. B. Levison, who becomes chairman of the board.

**Page Is President
of Fireman's Fund**

(CONTINUED FROM PAGE 3)
come into being. The Home Fire & Marine, organized in San Francisco in 1864, was purchased by the Fireman's Fund in 1892. It was withdrawn from active operation in 1906, but relaunched in 1917. In June, 1927, the Occidental Indemnity was organized followed in December by the Occidental Insurance Company. In April, 1930, Mr. Levison's plan for a strong fleet of companies doing multiple line business in all fields was completed with the launching of the Fireman's Fund Indemnity.

New President's Career

Fourth president of the Fireman's Fund, Mr. Levison was the second chief executive to reach this office through the company's marine department, and Mr. Page has followed the same course. The precedent was set by W. J. Dutton, who was president from 1900 to 1914. Mr. Page was born in San Francisco in 1878. His father, Charles Page, was an admiralty attorney and served the Fireman's Fund as counsel and director for many years. After graduation from Yale University in 1900, he joined the marine department at Fireman's Fund headquarters in San Francisco, and later was given charge of all marine and automobile losses.

With the entry of the United States into the world war, Mr. Page's intimate knowledge of ships and shipping brought him an appointment by President Wilson as commissioner of the United States Shipping Board and trustee of the Emergency Fleet Corporation. Resigning his position with the Fireman's Fund, he devoted his whole time and energy to the service of the government. He was decorated by the French government as a Chevalier of the Legion of Honor.

At the close of 1921, Mr. Page rejoined the Fireman's Fund as manager of the Atlantic marine department in New York City. Elected vice-president of the affiliated companies in 1926, Mr. Page shortly thereafter moved back to San Francisco to assume general direction of the marine and indemnity operations.

He has served as president of the American Institute of Marine Underwriters, the United States Salvage Association, the Board of Underwriters of New York and the American Marine Insurance Syndicates. He has been a director

and vice-president of the San Francisco Chamber of Commerce and has served on the insurance department committee of the U. S. Chamber of Commerce.

**London Lloyds Endorses
Forms to Exclude Flood**

London Lloyds had a bad moment at the height of the Ohio river valley flood when it was discovered that a considerable amount of the building collapse policies sold in this country on so large a scale in the last year or two, through an oversight in preparing the form, did not contain exclusion of damage due to flood, earthquake, cyclone, hurricane, subterranean fire, etc. A cable was dispatched to this country immediately requiring Lloyds representatives here to prepare and send out to all assured under these contracts an endorsement containing the exclusion.

It is reported none of the assured objected, since it was their original understanding that flood and the other acts of God were to be excluded. Policies which expire on or prior to April 1 will be allowed to run to expiration without attaching the endorsement, but policies with expiration on and after that date are being endorsed.

Little of the coverage was written by London Lloyds until about April 1, 1936. The demand for the protection came immediately after collapse and burning of the No. 3 warehouse of the Hiram Walker distillery at Peoria, Ill., July 29, 1935, with huge loss which is still being litigated in federal district court at Chicago, fire companies claiming collapse of the structure preceded the fire.

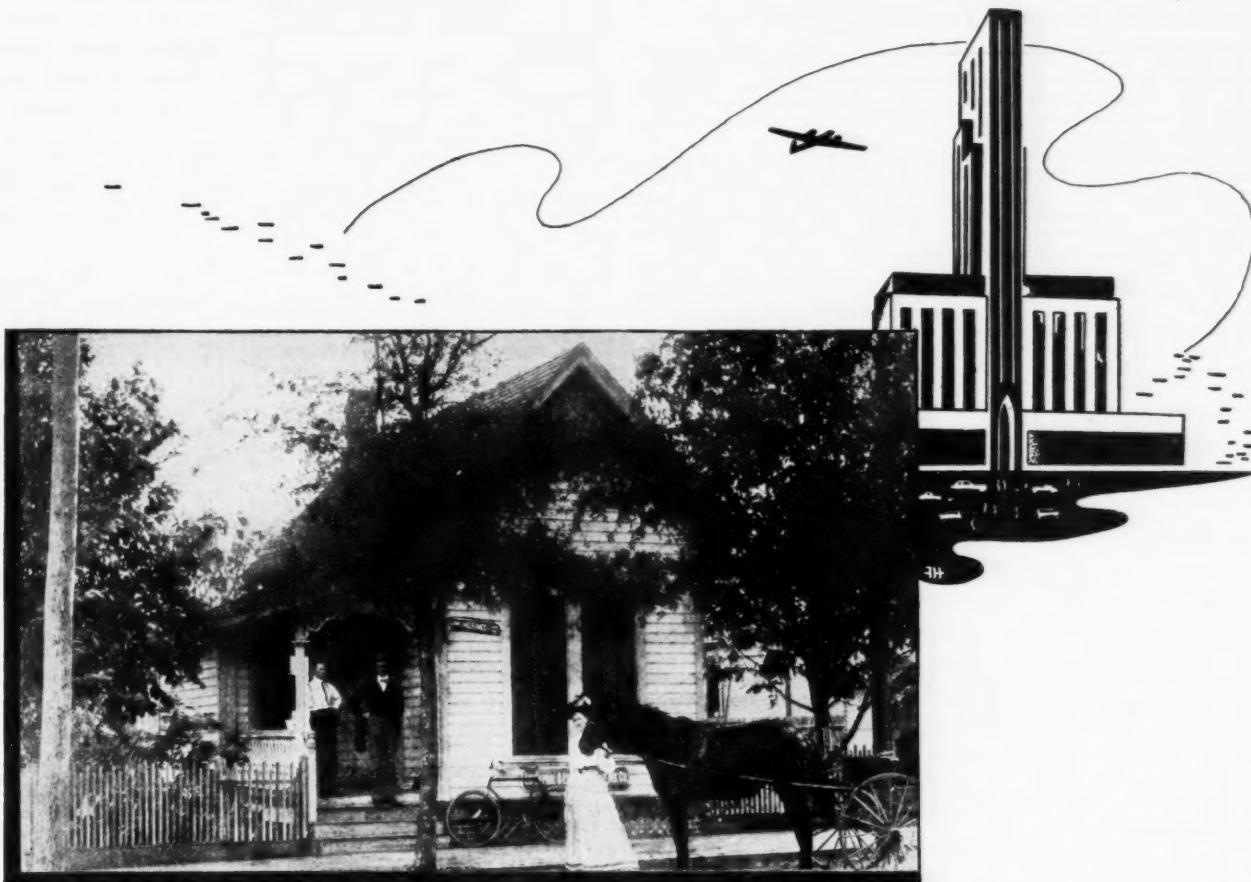
Distilleries all over the country demanded the coverage, which was sold very largely through Homer Gwinn & Co., and A. H. Grupe of Jones & Whitlock, both of Chicago.

The first collapse policy contained the acts of God exclusion, in preparing another series of forms the exclusion unintentionally was dropped out.

Former Texas Field Man Dies

John M. Boggs, who had served a number of years as Texas state agent of the St. Louis Fire & Marine, died in Hines, Ill. He was a native of Russell, Ia. The body was taken to San Antonio for burial.

F. B. Hall, chairman of F. B. Hall & Co., average adjusters and insurance brokers of New York City, died at the age of 73. He had retired from active business in 1916.



Styles Change

As office styles change, so do styles in insurance. Gone are the cumbersome methods that were once insurance style, replaced by today's modern policies — the Personal Property Floater, the Supplemental Contract and the Comprehensive Automobile Policy — wherever permitted by law.

In one policy, with one premium and one renewal date, these coverages offer your client protection formerly procured only through several policies. Savings in time and money constitute an insurance service particularly appreciated by clients. May we show you how we assist our agents in developing premiums through modern coverages?

The photograph, taken 35 years ago, shows the first office of H. J. Drane & Son at Lakeland, Florida, who have represented the "Liverpool" since 1886.

AMERICAN & FOREIGN
INSURANCE COMPANY
BRITISH & FOREIGN
MARINE INSURANCE CO., LTD.
CAPITAL FIRE INSURANCE CO.
OF CALIFORNIA
FEDERAL UNION INSURANCE CO.
THE LIVERPOOL & LONDON
& GLOBE INSURANCE CO. LTD.
THE NEWARK FIRE INSURANCE CO.
QUEEN INSURANCE COMPANY
OF AMERICA
ROYAL INSURANCE CO., LTD.
SEABOARD INSURANCE COMPANY
STAR INSURANCE CO. of AMERICA
THAMES & MERSEY
MARINE INSURANCE CO., LTD.

ROYAL-LIVERPOOL GROUPS
150 WILLIAM STREET, NEW YORK, N. Y.

Studying Gasoline Hazard

Underwriters Engineers and Fire Insurance Organizations Are Greatly Concerned Over Disastrous Flood Development

The floating gasoline hazard in the flooded Ohio valley due to storage tanks being uprooted at many points, especially in Cincinnati and Louisville, was one of the most significant developments of the flood as affecting insurance. Field men are now on the ground studying this and other hazards which developed, and out of this study already have come the suggestions that a gasoline hazard loading charge should be made for risks in river towns, and that organizations conduct an exhaustive study to determine whether gasoline storage tank specifications and layout and location of refineries and bulk stations could be improved so as to minimize this hazard.

At Cincinnati, according to reports, floating gasoline released from overturned storage tanks flashed from a wrecked electrical transmission line and caused the great Mill Creek industrial conflagration that may run to \$1,500,000 to \$2,000,000 loss. Another tank was released and floated down the river some 2 miles to North Bend.

Louisville Feared Conflagration

At Louisville floating gasoline was a constant menace. This came not only from bulk stations, but from smaller service stations. Gasoline, being considerably lighter than water, floats quickly to the surface if there is any leak in connections. Sometimes service station attendants do not screw down tightly the filler breather caps in tanks. This hazard was quickly recognized at Louisville and gasoline was given away by many stations before the flood arrived in order to empty the tanks. Even then wide pools of gasoline frequently were found and citizens were warned by radio not to smoke or light matches. Fire underwriters feel only a miracle avoided a conflagration.

The great hazard of gasoline at flood times is that it spreads out quickly over a wide area, thus giving an exposure hazard to property normally thoroughly safe. The hazard obviously is of conflagration dimensions in each case where it occurs.

Old Problem Never Solved

Apparently although this hazard has been recognized in oil underwriting for 25 or 30 years, no successful method has been worked out for minimizing it. One suggestion by a non-technical man is to bury the tanks. This might minimize the regular hazard of leaks and spread of gasoline in case of refinery or gas station fires. However, the danger would exist of a break developing and gasoline floating to the surface of the water. In addition, underwriters familiar with the oil hazard are vehement in negating the suggestion; underground leaks might find their way into sewers, conduits and strata leading to buildings, with hazard of explosion. Also, gas tanks must have vents, through which flood waters could enter and, force out the gasoline. Oil operators probably would oppose a move to force their tanks underground, since

the present system permits of gravity handling of the fluid, whereas otherwise they would have to install electric pumps.

Several years ago Chicago experienced the same hazard when a barge loaded with gasoline burned in the Chicago river south of the business district. Had this occurred closer to the mouth of the river and nearer the business district, it is said, huge loss undoubtedly would have resulted. An underwriter of long experience in the line said this week the loss in Chicago easily could have been \$50,000,000.

Many buildings along the river are set on piles. The gasoline floating on the water would have permeated the subterranean spaces in foundations along the river bank, starting hundreds of hidden fires and probably causing collapse of many buildings as well as fire damage. At the time there was much protest against permitting barges loaded with combustibles to move on the Chicago river, committees were appointed and the subject studied, but nothing ever was done to check the hazard.

Simple Solution Is Proposed

An experienced underwriter this week said a sure way to end the oil hazard in flood times would be to build storage tanks on high points not possibly subject to floods. If no high land were available elevated structures thoroughly anchored might serve the purpose.

Most river cities and towns, being built on the banks, would have such a location, preferably on a hill above the town, with pipe lines connecting storage tanks and towns. However, the expense of such an arrangement would bring active opposition of oil companies, it is believed.

It has not been found possible to anchor the gasoline tanks so firmly that they are immune from dislodgment in floods. Although the tanks are of heavy steel, the gasoline has considerable buoyancy and there is usually a substantial amount of air in the tanks. Careful oil operators when flood approaches combine partly filled tanks and fill with water any others left empty. Refineries do likewise and kill the fire in stills and boilers to avoid any flashback. If this practice were followed faithfully by all operators in time of flood, underwriters believe, there would be little danger of tanks becoming dislodged from their concrete cradles.

Great Buoyancy Is Noted

According to Clarence Goldsmith, assistant chief engineer National Board, Chicago, there is tremendous lift to these tanks when submerged. Even tanks anchored by "deadmen" buried well in the ground have pulled loose.

The usual installation for smaller tanks up to 10,000 or 15,000 gallons capacity is in a prone position, the tanks being in concrete cradles that extend several feet into the ground, and usually are anchored by deadmen. The larger

(CONTINUED ON PAGE 47)

O'Malley Turned Down on Counsel for Department

ST. LOUIS, Feb. 3.—At a conference in Jefferson City Governor Stark informed Superintendent O'Malley he did not desire to approve the appointment of F. P. Aschmeyer of St. Louis as counsel for the department. He gave no reasons for refusing to accept the recommendation of Mr. O'Malley. The governor was also quoted as saying that he had informed Mr. O'Malley that he did not care to discuss at this time the subject of his own reappointment to the insurance department nor to go into Mr. O'Malley's legislative program for the present.

The superintendent has been considering presenting an insurance code bill or a series of bills much along the lines of his code measure that met defeat in the general assembly two years ago. Told of the governor's statement concerning the question of his reappointment, Superintendent O'Malley told reporters that apparently Governor Stark had misunderstood some remark he had made as touching on the question of his retention as superintendent but that he had never made any suggestion concerning his reappointment to the governor. J. F. Allebach, deputy superintendent, is now acting counsel for the department.

MAY NOT APPOINT O'MALLEY

The St. Louis "Star-Times" published a dispatch from its Jefferson City correspondent in which he stated that Governor Stark had definitely decided not to reappoint Superintendent O'Malley. The story said that the governor had assured fraternals and other companies that they would be given fair treatment but he took the position that Mr. O'Malley's action on the fraternals made him prejudiced. His term expires June 30. In some quarters the opinion has been expressed that Mr. O'Malley may decline reappointment.

Omaha Convention Plans

Plans are rapidly rounding into shape for the mid-year meeting of the National Association of Insurance Agents to be held at the Hotel Fontenelle, Omaha, the week of April 12. P. W. Downs, president of the Downs Insurance Agency, 1504 Dodge street, is chairman of the Omaha general committee. Irving Zerzan of the Omaha Insurance Agency and Richard Walker of the Byron Reed Company are vice-chairmen. A. B. Dunbar of the National association executive committee will act as the general utility man. C. C. Allison of the Omaha Insurance Agency in the Omaha National Bank building asks that all hotel reservations be made through his committee, he being the chairman.

Ellis Plans Open House

L. E. Ellis & Co., Des Moines general agency, will celebrate its 42nd anniversary by holding open house Feb. 13. Agents from Iowa will attend.

FIGURES FROM DECEMBER 31, 1936 STATEMENTS

	Assets	Change in Assets	Reins. Res.	Changes in Reins. Res.	Capital or Stat. Dep.	Surplus	Changes in Surplus	Net Prem.	Losses Paid	Loss Ratio %
American Auto. Fire, Mo.	2,382,643	+293,699	918,527	+185,654	300,000	767,117	+26,502	1,936,482	648,384	33.48
American Fire, Tex.	415,623	.....	.....	.....	200,000	215,623	.....	.....	.....	.....
American Indem., Tex.	3,446,721	+485,971	737,501	+159,601	1,000,000	465,000	+65,000	1,365,808	464,954	34.0
Atlantic Fire, N. C.	538,005	+79,661	.....	.....	250,000	189,238	+67,528	.....	.....	37.9
Bankers Fire, N. C.	273,017	-5,513	.....	.....	.....	53,467	+146	-8,655	117	.....
Eastern Shore, Va.	369,802	-10,839	72,153	+18,741	104,100	173,148	-168,220	58,888	37,656	41.0
Lafayette Fire, La.	1,017,269	+12,659	128,148	6,345	300,000	554,869	-32,016	101,828	21,746	20.3
Millers National, Ill.	6,224,814	+101,139	2,492,594	+101,044	1,000,000 ⁴	2,596,427 ⁶	7,989	3,096,878	1,206,872	38.9
Old Dominion Fire, Va.	455,613	-7,954	28,252	-5,467	260,000	222,220	-2,567	27,301	12,428	45.5
Pioneer Equitable, Ind.	466,264	+20,873	100,060	+1,220	200,000	131,595	+11,523	112,326	61,707	54.9
Retailers' Fire, Okla.	270,334	.....	.....	.....	200,000	70,334	44,828	.....	.....	.....

*Organized Oct. 31, 1936. No premium written in 1936.

²Reinsured.

³Paid cash dividend \$75,000.

⁴Permanent fund.

⁵Including permanent fund.

Study Insurance Angles in U. S. Agencies and Bureaus

SPECIAL TREATMENT NEEDED

National Agents Association Leaders Confer in New York—Challenge Best on Ratings of Mutuals

NEW YORK, Feb. 3.—The insurance angle of the several governmental bureaus and agencies was the subject of a number of conferences with insurance company officials held in New York last week by representatives of the National Association of Insurance Agents.

Representing the association were President W. Owen Wilson, Richmond, Va.; Executive Committee Chairman Charles F. Liscomb, Duluth; immediate past President Kenneth H. Bair, Greensburg, Pa., and General Counsel Walter H. Bennett.

While the Washington scene was the major item of consideration, other topics, including the company ratings of Alfred M. Best, were subjects of conference.

HOLC Is Satisfied

Mr. Bair, who had just finished a special assignment to study and report on insurance conditions relating to the government, stated he found that the Stock Company Association is operating admirably, and to the satisfaction of the officials of the Home Owners Loan Corporation, which it was organized to serve.

"It is not to be denied," said President Wilson, "that the governmental bureaus in many cases call for specific treatment. With the Stock Company Association as a model, there seems small reason why the stock insurance companies should not cooperate with other governmental agencies in a similar way.

"We strongly believe that the companies should be instantly ready to supply these bureaus with proper rates and forms to fill the needs of the peculiar characteristics of these agencies.

Routine Treatment All Right

"In the case of the HOLC business, there is no need for any such special treatment because that is mine-run business, and is and should be written at the usual dwelling house rates and forms. But with the resettlement and federal housing administrations, the situation is different, and seems to require specific treatment.

"Recently I visited the resettlement project at Hightstown, N. J., where I found an entirely new type of residence construction. Fire resistive as the most modern office building, entirely separated and maintained with the greatest degree of efficiency, these buildings at the present time are rated as farm risks, which obviously is absurd. It seems to me vital for the stock companies to recognize, in their rating methods, that a new classification is required in order properly to meet these new conditions."

Special Situations Found

Mr. Wilson expressed himself as highly gratified over the conferences held last week, and said he believed that the companies recognize that they must proceed along the lines suggested if they are to participate in any of the business under governmental control. Mr. Bair reported that the insurance requirements of practically every bureau he visited in Washington were in need of special and prompt treatment, and the representatives of the National association all expressed themselves as of the belief that the companies will soon set up a Washington agency to care for the situation.

They stated that the present Washington office of the National association is adequately equipped to maintain

(CONTINUED ON PAGE 47)

VIEWED FROM NEW YORK

By GEORGE A. WATSON

CASES ARE POSTPONED

Postponement until the April term has been granted in the case of Murphy & Jordan against H. M. Hess, manager of the New York Fire Insurance Exchange, and W. J. Ward, treasurer of the New York Insurance Rating Organization. Counsel for the defense had asked a postponement until the May term. The case is on calendar before Justice Cotillo in special term of supreme court.

* * *

MUTUAL OPENS IN NEW YORK

The Northwestern Mutual Fire of Seattle is opening a New York City department at 116 John street. H. J. Bergren will be the manager. He has been connected with the company 25 years. It will do a brokerage business in New York.

* * *

STATUS OF SOLICITORS

There seems to be no doubt as to the position of the internal revenue department as to the status of solicitors attached to an insurance office where they are not under control of the agency. If it can be proved that the agency does not regulate their affairs in any respect, they do not come under the provisions of the social security act. The ruling was made on a case originating on the Pacific Coast where an agency put its case to the local collector of internal revenue. It had three solicitors. The firm stated it had no contract with the solicitors, they worked where and when they wished, the office exercises no control over their hours or kind of insurance they sell. The firm writes the policies for them and when the premiums are paid the solicitors receive their commissions. The firm states that it does not control or direct the individual solicitors in the perform-

ance of their business operations or their manner of soliciting insurance or making proposals. It does not consider them employees in connection with the operation of the agency in the regular meaning of the term "employee." The collector sent the letter to the Internal Revenue Department at Washington, which held that in this case the solicitor is an independent contractor.

* * *

NEWMAN RETURNS TO NEW YORK

Frank H. Newman, assistant United States manager of the General of Paris, the reinsurance company, has returned to New York after a business visit to Seattle, Spokane and other places in the Pacific northwest. On his return east he made some visits in Chicago and Indianapolis.

* * *

NEW YORK KNIGHTS' JOUST

A unique event is the annual joust of the New York chapter of the Council of Knights, composed of the leading insurance officials, and similar to the joust held once a year in Chicago by the Knights of the Round Table of the Union League Club.

On Jan. 29, the knights foregathered in the Waldorf, with Paul Sommers, president of the American of Newark, as the reigning knight, in the absence of King Carl Sturhahn, president of the Rossia.

Sir Knight C. T. Hubbard of the Automobile wielded the after-dinner spear, and no one was spared his thrusts, from the mightiest to the novices. His cuts were deep, but as he said, no deeper than the cuts to which all insurance officials have become hardened. The neophytes were raised in ceremony conducted by Sir Knight H. T. Cartlidge, L. & L. &

G. Paul Sommers was reelected "Sir Knight Supreme."

Among those present were two officials from the Yorkshire of England, also W. E. Mallalieu, Sumner Rhoades, J. V. Barry, Harold Warner, Lyman Candee, C. A. Nottingham, B. N. Carvalho, Col. H. P. Dunham, H. M. Robertson, W. B. Rearden, H. M. Frank, H. G. Casper, Esmond Ewing, F. B. Martin—a clan numbering 50, each attired in crowns. H. H. Clutia, president of the Northern, filled a popular role as the treasurer.

* * *

NEW YORK RESIDENT AGENT BILL

A new resident agent's bill has been introduced in the New York legislature at the instance of the insurance department. This apparently was introduced as a substitute measure for the law that was passed last year and which has been held to be ambiguous in certain respects. Under the departmental measure an agent is deemed to be a resident in New York if he has his domicile or his principal place of business in New York.

False Report on Bellaire

BELLAIRE, O., Feb. 3.—Henry Cowan of the Cowan & Dickens Agency says false reports sent out over the radio during flood times that the supply of Bellaire water works had been shut off by high water, have aroused insurance companies needlessly. The report was not true.

Open St. Louis Agency

F. M. Deuchler & Co. has been established as an agency in the Pierce building, St. Louis. Mr. Deuchler heads the office and associated with him are his son, Robert, and W. J. Burke.

New Orleans Agent Dies

Lucian Monroe, 62, son of the founder of the insurance firm of L. Monroe & Son, New Orleans, died there.

Uses Graph to Compare Classes of Companies

BIRMINGHAM, ALA., Feb. 3.—A graphic method of comparing company statements as an aid in selling stock fire and casualty insurance has been devised by J. L. Ebaugh, Jr., president Birmingham Association of Insurance Agents. A study of his method as well as data put out by the Business Development Office has been made at several meetings of the local board.

Mr. Ebaugh's plan is to take a sheet of graph paper and draw a geometric figure in the proper proportion to represent his company and then one to represent the mutual or reciprocal with which he is in competition. In case of casualty companies the length of the top side of the figure is determined by the amount of annual premiums, the length of the bottom side by the policyholder's surplus and the vertical height by the reserve for losses and reinsurance. The same formula is used for fire companies except that the vertical height is based on the reserve for reinsurance only.

The two diagrams give the prospect for insurance a visual view of the two companies which figures themselves often do not convey. In drawing the graphs any suitable scale can be used, provided of course it is the same for the two companies being compared.

Reading Agents Organize

The fire and casualty agents of Reading, Pa., are organizing the Reading Insurance Exchange. Carl F. Moyer has been named acting president and M. A. Securda, secretary. There will be a meeting Feb. 24 to elect permanent officers.

The White-Preston Agency, Minneapolis, has been presented a certificate showing representation of the Michigan Fire & Marine for 25 years.

TRINITY UNIVERSAL INSURANCE COMPANY Dallas, Texas

Financial Statement

December 31, 1936

ASSETS

Cash in Banks and Office.....	\$ 197,468.03
United States Government Bonds....	619,724.60
State, County and Municipal Bonds...	938,865.50
All Other Bonds	386,161.44
Stocks	1,533,750.26
First Mortgage Loans on Real Estate.	409,145.75
Collateral Loans	156,010.00
Real Estate	99,975.12
Premiums in Course of Collection....	584,580.18
Premium Notes Receivable.....	49,063.36
Accrued Interest	23,324.48
All Other Admitted Assets.....	5,042.39
 Total Admitted Assets.....	 \$5,003,111.11

LIABILITIES

Reserve for Losses and Claims.....	\$ 163,018.40
Special Reserve for Liability Claims..	601,750.03
Reserve for Unearned Premiums.....	1,655,287.48
Reserve for Taxes	81,801.79
Reserve for Other Liabilities.....	35,110.84
Commissions Payable	180,774.66
All Other Liabilities.....	20,396.95
 Capital	 \$1,000,000.00
Surplus	1,264,970.96
 Surplus to Policyholders.....	 2,264,970.96
 Total	 \$5,003,111.11

Bonds at Amortized Value, Stocks at Market Values, December 31, 1936.

On the basis of December 31, 1936 market quotations for all bonds and stocks owned, the total admitted assets and surplus would be increased by \$93,027.44.

NEWS OF FIELD MEN

Cragg Is West Virginia Head

Fire Underwriters Association Holds Annual Meeting in Washington—Many Company Men Present

The West Virginia Fire Underwriters Association held its annual meeting in Washington, D. C. Reports showed there were no fines administered during the past year for violations of the rules. The following officers were elected: President, H. E. Cragg, Alfred Paul & Son, general agents, Wheeling, W. Va.; vice-president, V. K. Smith, Norwich Union, Wheeling (reelected); secretary-treasurer, A. S. Whitley, Wheeling (reelected); executive committee, R. B. Apperson, Hartford Fire, Wheeling, chairman; J. E. Tetlow, Jr., Fireman's Fund, Charleston; G. K. Taylor, Aetna Fire, Charleston; B. K. Weisgerber, North British, Wheeling; John Marsden, Providence Washington, Pittsburgh. Holdovers are W. H. Keaton, J. C. Blair and H. B. Lindsey.

Company men in attendance included S. F. Nininger, Royal-Liverpool groups, New York; C. E. Wheeler, assistant western manager Hartford, Chicago; F. C. Gustetter, secretary Phoenix of Hartford; A. E. Hill, secretary Home of New York; H. B. Collamore, vice-president National of Hartford; W. C. Browne; J. S. King, secretary Continental; Percy Ling, secretary North British; J. M. Waller, vice-president, and Gordon Kyle, assistant secretary, Aetna Fire, Hartford, Conn.; G. N. Iverson, assistant manager Century, New York; H. J. Thomsen, secretary American Equitable; B. C. Vitt, vice-president Dixie; W. G. Ragsdale, Great American, Washington; T. B. Sellers, manager West Virginia Inspection Bureau, Columbus, O., and J. R. Morrisey, Hartford Fire, Chicago.

America Fore's Promotions

G. R. Dillman Transferred from Minnesota to South Central Illinois—W. H. Brodie Is Named Successor

G. R. Dillman of Minneapolis, special agent of the America Fore under State Agent George Wiik of Minnesota, is transferred to south central Illinois to take over the work of the Continental and American Eagle in that sector, succeeding L. J. Eppler of Decatur, who goes with the Firemen's group. Mr. Dillman has been connected with the America Fore since 1927. He took the Northwestern University insurance course and was at the western office until 1934 when he was sent to Minnesota. He will make his headquarters either at Decatur or Springfield.

To succeed Mr. Dillman in Minnesota the America Fore has appointed W. H. Brodie, who is also a graduate of the Northwestern University insurance course, and has been in the western department since 1929. More recently he has been special agent in the inland marine department.

Mountain Field Club Changes

DENVER, Feb. 3.—Any field man having supervision over this territory, regardless of his place of residence, may now become a member of the Mountain Field Club, under a change in the by-laws adopted at the monthly meeting. Under the old by-laws, residence here was a requirement of membership.

The club's automobile bureau and special risk bureau were abolished. Members of the automobile bureau were appointed to an automobile risk committee. The special risk bureau was not replaced by a committee, due to the fact that it has been virtually unused for some time.

Field Men Hold Conference

Great American State and Special Agents Hold Roundup in Chicago This Week

Western department field men of the Great American and Great American Indemnity were in Chicago for a two-day conference this week with department officials. The fire insurance field men and the casualty people held separate business sessions, but got together Tuesday evening for a dinner, which was also attended by a considerable number of office people. C. R. Street, vice-president and western manager of the fire company, was in charge of the sessions of his group while H. E. Hill, manager of the Great American Indemnity, presided over the sessions of his field men.

Among those attending the conference were three members of the field force who reside in Louisville. They are E. F. Scott, state agent, and R. K. Langan and David Zeiser, special agents. Mr. Scott and Mr. Zeiser were able to complete the journey by going to Lexington, Ky., by bus. There they boarded a train for Cincinnati and thence to Chicago.

American of Newark Roundup

Extensive Program Announced for Gathering of Field Men from Various Departments at Home Office

NEWARK, Feb. 3.—An extensive program has been arranged for the roundup of field men of the eastern, New England, southern, Carolina-Virginia and western departments of the American of Newark, at the home office here Feb. 8-10.

At the Monday morning session, with President Paul B. Sommers presiding, C. Weston Bailey, chairman of the group, will make a brief address of welcome, followed by talks on "National Advertising" by Harold E. Taylor, advertising manager, and "Brokerage" by H. J. Noble, assistant manager New York City department.

Tuesday morning Laurence E. Falls, vice-president, will preside. W. P. D. Bush, associate manager Carolina-Virginia department, Greensboro, N. C., will talk on "Blue Eyes and Gold Teeth"; F. S. Doremus, secretary, and L. E. Kietzman, assistant secretary, on "Sales Promotion"; Mr. Falls on "Special Lines" and J. B. Andrews of the western department, Rockford, Ill., on "Multiple Lines."

In the afternoon, there will be special meetings of the western and Carolina-Virginia departments at which field problems will be discussed, with a banquet and an entertainment in the evening in the main ballroom of the Robert Treat Hotel, in this city.

H. B. Elmers, assistant western manager, will open the Wednesday morning session with a talk on "Automobile Production." J. G. McFarland, also of the Rockford office, will discuss "Agency Appointments" and Mr. Doremus, "Non-Association Competition," concluding with a general discussion on field problems.

Holmes Made Kansas State Agent of the Royal Group

Shelby Holmes, for several years Kansas state agent of the American of Newark, has been appointed state agent of the Royal, Queen, Newark and American & Foreign for half of Kansas with headquarters at 200 Central building, Wichita. J. G. Updegraff, present state agent, will supervise the balance of the state from Topeka. Mr. Upde-

graff, who is secretary of the Kansas Fire Prevention Association, completed 25 years with the companies last year.

Mr. Holmes, who received his early training with the Dulaney, Johnston & Priest agency of Wichita, is one of the most active of the younger Kansas field men. Last year he served as president of the Fire Prevention Association and "big toad" of the Sunflower puddle of the Blue Goose and has been prominent in the Kansas Fire Underwriters Association.

Gulf of Texas Has Changes

Number of Promotions and Shifts Have Been Made Affecting Some of Its Staff

A. R. Buchel, formerly special agent of the Gulf of Dallas at San Antonio, has been promoted to assistant secretary and will henceforth be located in the home office. V. W. Hagemann of Dallas, formerly special agent, has been promoted to assistant secretary. The title of G. R. James of Dallas has been changed to agency supervisor, formerly being special agent. Special Agent W. S. Anderson of Houston has been transferred to San Antonio, and Special Agent Herndon Johns has been transferred from Dallas to Houston. F. P. Chenault of Dallas has been promoted to special agent and will travel central Texas. H. O. French, special agent, will in the future cover the Panhandle section of Texas and Oklahoma excluding Oklahoma county. Kellum Johnson has been promoted to assistant treasurer.

LaBoyeaux Joins American

Announcement of the appointment of R. L. LaBoyeaux as special agent of the American group with headquarters at St. Louis, for the territory comprising St. Louis county and territory in Illinois and southeastern Missouri immediately tributary thereto is made.

He is a native of New Jersey and has been associated with Johnson & Higgins since he left school and entered the insurance business. He served in various capacities in the New York office of Johnson & Higgins for a number of years. Following 2½ years as a Montreal representative of the firm, he was assigned to western territory and has been associated with their Chicago headquarters for several years.

Jackson Is Inspected

JACKSON, MICH., Feb. 3.—Approximately 70 members of the Michigan Fire Prevention Association participated in an inspection of Jackson. R. E. Verner and H. K. Rogers of the Western Actuarial Bureau, spoke. Mr. Verner said that annual fire losses frequently equal or exceed the huge loss in such floods as that which has just swept the Ohio and Mississippi valleys. The fire loss, he said, is in a very large part preventable. He emphasized the fact that communities eventually pay the bill for excessive fire losses as the companies merely act as "shock absorbers" by easing the heavy immediate losses in the wake of fires. The higher premium rates and the irreplaceable economic losses from fires take their toll in every city, he said, where prevention activities do not sufficiently hold down fire damage.

Testimonial for C. G. Wonn

A testimonial banquet for Chris G. Wonn, one of the best known men in the Illinois field, will be held March 25 at Springfield. Mr. Wonn will then have completed 50 years in the fire insurance business. The affair is being sponsored by the Blue Goose and by the Illinois Fire Underwriters Association and Illinois Field Club. The committee in charge consists of A. J. Meyer, Automobile; Dan J. Harrigan, St. Paul; A. T. Ahlin, Norwich Union; R. H. Gregg, Crum & Forster, and O. H. Sturgeon, Pearl. There will be a meeting of Blue

Honored for 40 Years of Service With Home, N. Y.



CLARK O. WOOD

Field men of the Home of New York in Ohio tendered Clark O. Wood, state agent, a luncheon in Columbus Monday in commemoration of his 40 years of service with the company. Sixteen persons were present. Mr. Wood was presented several gifts.

Goose officers in Chicago Monday to complete the details. It may be that an inspection will be scheduled for Jacksonville March 24.

Mr. Wonn has spent his entire insurance career with only three companies, the Connecticut Fire, Springfield Fire and the Northern Assurance.

Bay State Club Elects

BOSTON, Feb. 3.—The Bay State Club, composed of Massachusetts special agents, at its annual meeting elected K. F. Akers, special agent National Fire, as president. C. A. P. Johnson, Travelers Fire, was elected vice-president; L. P. Marsh, Home group, treasurer, and W. B. McCoy, Northern of New York, secretary. Mr. Akers is a graduate of M. I. T. and was formerly with the old Underwriters Bureau of New England and the New England Insurance Exchange. John W. Downs, counsel of the Insurance Federation of Massachusetts, spoke on legislative matters.

Minnesota Pond Annual Meeting

The Minnesota Blue Goose will hold its annual mid-winter meeting and election in Minneapolis Feb. 15. At least eight candidates for initiation will be presented. C. P. Helliwell, grand wielder, Milwaukee, will present buttons to those who have completed 25 years as members. George Van Wagener will preside. A winter sports carnival is being planned for later in the season.

Eppler in New Post

L. J. Eppler of Decatur, Ill., has been appointed special agent of the Concordia, Girard and National-Ben Franklin with headquarters at Springfield, Ill. He has been with the America Fore for 10 years. Previous to traveling in Illinois he was special agent of the group in Michigan.

Ohio Function Is Postponed

The Ohio Blue Goose, which had made full preparations to celebrate its 30th anniversary and to feature the old timers in the organization by a banquet in Cincinnati, Feb. 9, has voted to postpone the function indefinitely. The officers found that owing to the disastrous flood, Cincinnati has had its water supply greatly affected and also its electric light facilities. Those services will

not be in first-class condition for another month. A. C. Guy of Columbus, manager of the Western Adjustment, is acting most loyal gander.

Ohlmann Elected President

Annual Meeting of the Special Agents Association of Northern & Central California

SAN FRANCISCO, Feb. 3.—W. H. Ohlmann, Fire Association, was elected president of the Special Agents Association of Northern & Central California, at the annual meeting, held in San Francisco. Other officers are: Vice-president, S. N. Wilson, Fireman's Fund; secretary, Harrison Houseworth; treasurer, C. S. Myrick, retired, L. & L. & G. and sergeant-at-arms, C. M. Rogers, Royal-Liverpool.

The executive committee consists of the president and vice-president, with Lee Colburn, America Fore, retiring president, heading the committee as chairman. Others elected were: S. E. McPherson, Netherlands; M. E. Pinney, America Fore; Robert Fulton, Hartford; D. R. Williams, North British; Fred J. Grover, Fire Association; H. S. Coburn, Home of N. Y.; C. W. Von Tagen, National of Hartford and R. C. Gilette, Swett & Crawford.

Tennessee Field Meetings

At the meeting of the Tennessee Fire Underwriters Association Feb. 8, a new president will be elected, as W. E. Minner, Aetna Fire, who was transferred to the Rocky Mountain field, resigned.

The Tennessee Fire Prevention Association will hold a town inspection at Murfreesboro, Feb. 16. Alvis Huddleston is local chairman and Paul Breen, New Hampshire, is president.

The Tennessee Blue Goose is preparing for a dinner dance Feb. 20 in Nashville, George Frank, Aetna Fire, is chairman of the arrangements committee.

Parker Goes to Texas

G. E. Parker, special agent of the Great American in Philadelphia, has been transferred to Dallas and will work with State Agent M. G. Jarreau. Mr. Parker will travel northeast Texas. He has been in the field for two years and prior to that was in the head office of the Great American. He is a nephew of Harry Parker of Miami, manager of the Fire Companies Adjustment Bureau.

Zimmerman, Hanowell's Aid

E. R. Zimmerman of Columbus, O., who has been connected with the Ohio Inspection Bureau, has been appointed special agent for the Merchants Fire of Denver to assist State Agent J. E. Hanowell with headquarters at 20 East Broad street, Columbus. Mr. Hanowell opened Ohio for the Merchants in 1921 from scratch. It is today writing about \$120,000 a year in premiums and its business is developing in good shape. He also opened Indiana and Kentucky and the business in all states has been profitable.

Smith Given South Carolina

J. G. Smith has been appointed state agent for South Carolina and associate state agent for Georgia of the St. Paul Fire & Marine, Mercury Insurance, Minnesota Underwriters and St. Paul Mercury Indemnity, with headquarters in the Haas-Howell building, Atlanta. He formerly was with the United States Casualty as assistant manager of the Charlotte, N. C., office.

R. W. Carter, Charlotte, formerly state agent of the St. Paul group for North and South Carolina, now will confine his attention to North Carolina.

Spokane Specials Elect

Officers elected by the Spokane (Wash.) Special Agents Association are: John T. Breckon, president; J. D. Hurley, vice-president; Fred J. Kuttler,

treasurer; and John D. Ellingson, secretary.

E. A. Smith Now in Iowa

E. A. Smith of Columbia, Mo., who has been traveling eastern Missouri for the America Fore farm department, has now been transferred to Iowa to assist Farm State Agent Ralph Simington. After gaining experience as a local agent in Butler, Mo., he joined the America Fore farm department and has traveled in various fields.

Moon Sole Indiana Supervisor

The field work of the Pearl-American group in Indiana is now being supervised exclusively by State Agent R. W. Moon with headquarters at 54 Monument Place, Indianapolis. State Agent John E. Reinhold, who has been operating in conjunction with Mr. Moon, has been transferred to New York state.

Crater Succeeds J. M. Robertson

J. B. Crater of Salisbury, N. C., has been appointed state agent by the Phoenix of Hartford for North Carolina, South Carolina and eastern Georgia, the field formerly supervised by the late J. M. Robertson. Mr. Crater is well known to many agents in this territory because of his work as field representative for the Atlantic Fire. In the near future he will make headquarters at Charlotte, N. C.

Dorris Goes to Alabama

J. L. Dorris has been appointed special agent for the Great American in Alabama with headquarters in Birmingham. He has been with the Great American several years in the office and field. In Alabama he succeeds W. W. Branch, who has been transferred to the inland marine department with headquarters at Raleigh, N. C.

Will Make Kalamazoo Inspection

The Michigan Fire Prevention Association will inspect Kalamazoo Feb. 23. The Kalamazoo Association of Insurance Agents is cooperating. R. E. Verner of the Western Actuarial Bureau will make the principal address and H. K. Rogers will put on his "fire clown" act before the school children.

Quaid Conducts Conference

Vice-President William Quaid of the Home of New York was in Chicago this week, conducting a two-day conference with field men from Wisconsin, Minnesota, Michigan, Missouri and Illinois.

Hughes Transferred to Texas

L. B. Hughes, who has been Mississippi state agent, is now special agent of the Gross R. Scruggs & Co. of Dallas, Texas, at Houston, Texas.

South Dakota Inspection

The South Dakota Fire Prevention Association will inspect Canistota, Feb. 16. An essay contest is inaugurated where prizes will be awarded by the city council to school children on fire prevention subjects.

Seattle Field Man Ill

Ben Ludlow, Seattle field man, is seriously ill with pneumonia at a hospital in Olympia, Wash.

The Nebraska Blue Goose has sent out 500 calendars advertising the March 19 annual ceremonial and initiation in Omaha. The date is set out in red type on the calendar.

"Annalist" Predicts Effects of Inflationary Progression

The "Annalist" of the New York "Times" comments on the effect of inflation on fire and casualty insurance. It says:

"The fire companies are almost certain

to benefit substantially from the inflationary progression under way. In the first place, the substantial portion of their assets which is in common stocks will, of course, benefit from the situation. In this respect they are quite different from the life companies, whose holdings are almost entirely in bonds, mortgages, etc.

"Another important factor which will favorably influence the position of the fire companies during the next few years is the fact that rising prices during a period of inflation force greater care on the part of those whose supplies of goods are subject to a fire hazard. During ordinary times, the payment made by a fire company for fire damages may equal or even exceed the actual financial loss to the business concerned. During a period of rising prices, however, it may be more costly to replace the lost inventory. The further inflation goes, the more urgent becomes the need for greater care on the part of those whose property is subject to a fire hazard. This principle applies to buildings and equipment as well as to merchants' inventories, of course, but is perhaps more immediately apparent in the case of inventories.

"The effect of the degree of inflation to be anticipated on casualty companies would probably not be very great. In individual cases the effect of inflation

may be substantial, but for the group as a whole there is no reason to believe that a moderate degree of inflation will materially alter their outlook.

"In conclusion, the outlook for the fire companies is excellent, especially since they will be more likely to benefit than suffer during inflation. The outlook for the life companies is good, but the shadow of inflation's evil consequences somewhat obscures the view ahead."

Ashtabula Board Elects

The Ashtabula (O.) Insurance Board, which was recently incorporated, held its annual banquet Thursday evening. G. E. Harmon, president, presided as toastmaster. G. E. Stouffer of the Western Adjustment at Cleveland and his wife were guests. Mr. Stouffer will be in charge of the Ashtabula office when it is established in the near future. The board is made up of the strongest agencies of Ashtabula.

Hold Convention in Chicago

The State Farm companies of Bloomington, Ill., including the State Farm Life, State Farm Fire and State Farm Mutual Automobile, will hold their annual convention at the Hotel Sherman in Chicago Feb. 15-16. In previous years it was held at the home office in Bloomington.

OVER ONE THIRD OF A CENTURY OF PROGRESS

1903-1937

ANNUAL FINANCIAL STATEMENT

As of January 1, 1937

ASSETS

*U. S. Bonds	\$1,708,090.83
*Federal Land Bank Bonds	637,989.71
Cash in Banks and Office	349,902.71
*Bonds (Miscellaneous)	502,739.04
*Stocks	2,808,113.57
Mortgage Loans	668,392.82
Collateral Loans	11,300.00
Agency Balances not Over 90 Days	329,399.61
Bills Receivable Taken for Fire Risks	118,346.06
Due from Other Companies	27,582.65
Home Office Buildings and Grounds	42,000.00
Other Real Estate	587,268.69
Real Estate Sold Under Contract	50,093.15
Interest Accrued	35,476.49
Impounded Missouri Premiums	30,479.09
Deposit with District Clerk (Personal Property Tax)	2,042.50
Special Deposit in Escrow	3,445.00
Miscellaneous Assets	1.00
	\$7,912,462.91

LIABILITIES

Unearned Premiums	\$2,121,180.17
Ner Losses and Claims Unpaid	113,884.18
Estimated Taxes Hereafter Payable	150,000.00
Due Other Companies for Reinsurance Balances	54,896.20
Impounded Missouri Premiums	30,479.09
Other Liabilities	3,401.40
Contingency Reserve	695,732.40
Capital	\$2,000,000.00
Surplus	2,742,889.47
Surplus to Policyholders	4,742,889.47
	\$7,912,462.91

*Amortized Value

*Market Value

\$50,000.00 Treasury Bonds 4 1/4% - 3 1/4%

(Deposited with Calif. Ins. Dept.)

Due 10/15/1945 Optional 43 (Registered)

On Basis of Actual Market Value for all Securities Surplus would be \$2,838,384.26.

FIRE . . . TORNADO . . . WINDSTORM . . . HAIL . . . EXPLOSION RENTS . . . EARTHQUAKE . . . RIOT AND CIVIL COMMOTION

REPUBLIC INSURANCE COMPANY DALLAS, TEXAS.

Eastern Department
300 Madison Ave.
New York, N. Y.

Fire
of TEXAS
Home Office
DALLAS, TEXAS

Pacific Coast Dept.
548 South Spring St.
Los Angeles, Calif.

Enforce N. Y. Separation Against Rule Violators

EXCHANGE IN STRONG ACTION

Amendments Adopted as Result of Superintendent Pink's Warning on Excess Commissions

NEW YORK, Feb. 3.—Through the adoption of certain amendments to the New York Fire Insurance Exchange agreement, at a special meeting of the body yesterday, enforced separation will be applied to signatory companies, agencies or brokers found to be in violation. The rule amendments, promulgated for consideration Jan. 25 and approved at yesterday's gathering by a vote of 97 to 8, become effective April 1.

In presenting the report of the joint committee, composed of officers and the executives and arbitration committees of the organization, Secretary H. M. Hess referred to the recent severe criticisms of Superintendent L. H. Pink on excess commission payments and quoted the rules on the subject in force in other cities. He further declared the right to apply separation had been upheld in an opinion by Justice Greenbaum in a celebrated case.

Strong Warning by Pink

Granting excess commissions became so prevalent in this city some time ago as to cause a warning from the department that if the practice did not cease, legislation by the state would be sought. As a result the exchange management has been making strenuous efforts to put its house in order. Special counsel was engaged to assist in ferreting out wrong doers, and four agencies convicted and heavily fined. The further reformatory move was that taken yesterday. Enforced separation will be rigorously applied to anyone failing to conform strictly to organization rules.

Eagle Star's Figures

Annual statement of Eagle Star & British Dominions shows assets \$6,490,084, net surplus \$3,860,489. The premium reserve is \$1,849,613; contingency reserve \$35,014; fund under reinsurance treaties \$118,492. Compared with previous year present figures reveal gains of \$470,000 in assets; \$97,000 in premium reserve and \$327,000 in surplus.

A. D. Seaver, retired agent of Watertown, N. Y., last Friday celebrated his 92nd birthday. He is a former member of the agency of Seaver & Peck, one of the oldest and best known agencies in that part of the state. Mr. Seaver is not in very good health. He is the only living charter member of the original 19 persons who founded the Watertown Lodge of Perfection.

F. I. A. Officers Are Reelected



F. C. WHITE



H. P. SMITH

F. C. White, vice-president of the Hartford Fire, was reelected president of the Factory Association at the annual meeting in New York. All other officers were reelected, they being: vice-presidents, E. J. Sloan, Aetna Fire, and J. K. Hooker, Automobile; secretary, J. H. Vreeland, Scottish Union, and treasurer, Gilbert Kingan, London & Lancashire.

F. Minot Blake of the Phoenix of Hartford heads the executive committee for the ninth year. Company members of the committee are Continental, Great American, Home, North Amer-

ica, National, North British, Springfield and Travelers.

Manager H. P. Smith stated that progress has been made with the broadened program which was adopted a year ago. Payment of overwriting commissions to local agents on brokered business, a practice that was adopted a year ago, has been well received.

There was a substantial increase in business in 1936 but the loss record was impaired through large fires in the flooded area last spring and by tornadoes that struck the Carolinas and Georgia territory.

Not Much Loss Is Feared by Companies on Coal Risks

Companies writing insurance on coal mines are not expected to sustain heavy losses because of the Ohio valley flood. The main damage to mines, although not a great deal of this is foreseen, is the cost of pumping out flood water, and interruption of production at the peak season during this process. However, since there is no flood coverage written on coal mines and no flood use and occupancy, the carriers are not expected to have to bear much of the burden.

Many mines in West Virginia, Ohio, Kentucky, Indiana and Illinois are located above the afflicted zone. In case of those mines located within reach of the waters, modernization of construction of tipples, buildings and other paraphernalia of coal mining has been effected during recent years, much of the construction being of steel and concrete.

The worst hazard faced by mine companies whose properties are close to the river has been that faced by every one along the Ohio—fire and explosion from gasoline and oil floating on the water.

Speakers at Toledo Banquet

The annual banquet of the Toledo Association of Insurance Agents will be held Monday evening. The speakers are: Insurance Superintendent Bowen of Ohio and his assistant, Raymond Rhoades, John A. Lloyd, secretary Ohio Association of Insurance Agents, and F. P. O'Connor of Lima, former president. Maj. Norman Imrie, associate editor of the Columbus, O., "Dispatch," will be the chief speaker.

Circular Called Misleading

The North Dakota attorney-general has given an opinion on the conclusions contained in a circular that has been widely distributed questioning the protection to mortgagees offered in mutual company policies. The circular was

prepared by Hines Bros., of Atlanta, Crum & Forster managers. It was based on a decision of the North Dakota supreme court. The matter was referred to the attorney-general by the governor.

The attorney-general finds that the decision was handed down in 1928, that it applied only to a certain type of domestic mutual, and that the statute governing those mutuals had subsequently been amended. The opinion criticizes the circular as being misleading.

N. Y. Brokers Band for the Handling of Public Cover

NEW YORK, Feb. 3.—Organization of the brokers associations public projects insurance committee to solicit and handle on an efficient basis the large amounts of insurance on public and quasi-public projects has been announced by the General Brokers Association, Bronx Insurance Men's Association, Brooklyn Insurance Brokers Association of Brooklyn.

J. A. Cohen, vice-president General Brokers Association, is chairman. The committee has been formed with the 1939 New York world's fair particularly in mind. But other projects' coverage is also being sought, such as the New York City housing authority. A major objective is the elimination of political influence in the placing of risks and the committee promises to throw the spotlight of publicity on many brokerage tie-ups where political wire-pulling is suspected. It was pointed out that similar committees have been successful in this in other parts of the country.

Mutual Men See Picture

CLEVELAND, Feb. 3.—The Mutual Insurance Association of Cleveland met Monday noon. The motion picture, "Making a Sales Presentation Stay Presented," was shown.

Michel N. Y. Suburban Special

L. M. Michel has been appointed special agent in the New York Suburban Exchange territory for the Fire Association group, and will aid Special Agent D. E. Misner.

Christensen, Dominick Directors

F. A. Christensen, vice-president Continental, was elected to its board in succession to late Ernest Sturm, while G. G. Dominick was chosen a director of the Fidelity-Phenix, at the annual meetings yesterday.

Inter-Ocean Reinsurance Dividend

The Inter-Ocean Reinsurance of Cedar Rapids, Ia., has declared a special dividend of \$1 per share. The regular semi-annual of 10 percent was declared Jan. 27.

The Hosmer Insurance Agency, Maryville, Mo., has been changed to the Jackson Insurance Agency. Joseph Jackson, Jr., has been manager for the past two years.

NEW YORK

BUFFALO
PITTSBURGH
CLEVELAND
COLUMBUS
DETROIT
INDIANAPOLIS
MILWAUKEE
MINNEAPOLIS
DULUTH
ST. LOUIS

MARSH & MCLENNAN

INSURANCE
164 West Jackson Boulevard
Chicago

TULSA
PHOENIX
SAN FRANCISCO
LOS ANGELES
PORTLAND
SEATTLE
VANCOUVER
WINNIPEG
MONTREAL
BOSTON
LONDON

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LEGISLATIVE DIGEST

South Dakota—Wright bill provides a new stock company must have an authorized capital of at least \$200,000, of which \$50,000 shall be fully paid in cash, and which shall be increased to \$200,000 within five years from date of issuance of the first policies.

Nebraska—Insurance companies would be included in the list of solvent corporations about which false statements of condition or malicious criticism may not be circulated under penalty of heavy fine or imprisonment or both. The existing law covers banks only.

Minnesota—Insurance people are preparing arguments against an amendment to bring insurers within the income tax law of Minnesota. At present, insurers are exempt in that state. Under the amendment, each insurer would be required to report to the commission the net income returned by it for the taxable year to the United States under the provisions of the revenue act of 1936 and the commission shall compute therefrom the taxable net income of such companies by assigning to Minnesota, the proportion thereof which those premiums during the taxable year written in Minnesota bear to the total gross premiums.

Texas—A bill limits earnings of an insurance company other than life, health and accident, to 8 percent of the capital invested and permits the state insurance commission to regulate the salaries and other expenses of the company. Another bill requires renewable term insurance. The measures are recommended by the senate investigating committee. The

Rawlings bill places a tax on fire premiums to pay the retirement of firemen in towns having as much as \$1,000 invested in fire-fighting equipment.

The general investigating committee of the Texas senate has made a number of recommendations and charges regarding the regulation of insurance companies. It is suggested that all kinds of insurance in Texas should be brought under the authority of the state insurance commission. It recommends that authority be given the commission to limit expense items used by fire companies in making their rates. It would also require the commission to keep a record of fire losses as a means of determining what the proper rates should be.

Michigan—The Callaghan-Palmer bill strengthens powers of the Michigan commissioner by forcing the filing of rates by all classes of carriers and adherence to equitable schedules. The bill gives the commissioner a strong weapon to use in event of rate wars by providing that he must suspend the license of any carrier proved at a public hearing to have been guilty of practices conducive to such a war.

Kansas—Kessler agency license bill sets up certain qualifications.

Indiana—A bill would abolish insurance coverage on state buildings. Instead the state would appropriate \$250,000 annually for repairs.

Ohio—The bill which prohibits coercion in the sale of automobile insurance came up for hearing before the house insurance committee.

Gentry Condemns Manner of His Ousting from Post

U. A. Gentry, retiring Arkansas insurance commissioner, issued a statement last week telling about his being ousted from office before the expiration of his term by the passage of an act which abolished the office and substituted another to have the same powers and perform the same functions. He says, "The action was not based on my incompetence nor because I failed to discharge the duties of the office efficiently but was introduced upon the demand of the governor because I did not support him in the last Democratic campaign. My own personal fortunes are unimportant to the public but the governor is setting a dangerous precedent by having people legislated out of office, not because they are incompetent, not because they failed to discharge their duties but solely on the ground that they did not support the governor and refused to become his pliant political tool."

Edgar Jennings Big Day

Saturday, Jan. 23, was a big day for Edgar M. Jennings, of General Insurors of St. Louis, for on that day he celebrated his silver wedding anniversary. That date also marked his 25th year in the insurance business. Moreover, his daughter, Maureen, was married to Ralph Dwyer, of St. Louis that day.

Yeaton Elected Secretary

A. D. Yeaton, who has been western general agent of the New Hampshire at Chicago, and who will soon leave to take up new duties at the home office, has been elected secretary of the company.

George C. Long, Jr., vice-president of the Phoenix of Hartford group, becomes president of the Hartford Community Chest.

Lincoln, Neb., fire losses for 1936 were \$43,854, as compared with \$42,077 in 1935. The average loss per fire was \$33.78. The per capita fire loss was 51.5 cents.

President McCain Comments on Aetna Fire Statement

President W. R. McCain of the Aetna Fire at the annual meeting reported a loss ratio of 40.3 percent. The expense ratio of 50.89 percent he regarded as still too high but did not see how it could be reduced. He pointed out the low interest yield and heavy taxation as affecting investment income materially. Mr. McCain said that the Century Indemnity has now reached a point where it is prepared to take its proper place in the casualty field. The Aetna Fire underwriting profit was \$1,057,696. The premiums were \$16,785,403, gain \$389,-

The World F. & M. premiums were \$1,173,493 and the Piedmont Fire had premiums \$470,146. The World Fire & Marine increased \$114,285 and the Piedmont \$102,004.

The Century Indemnity premiums were \$6,502,329, gain \$1,026,580. The surplus increased \$169,183.

Agents at Directors Meetings

A number of agents from several states will attend the annual stockholders and directors meeting of the Excelsior at the home office in Syracuse next Tuesday. It has long been the custom of the Excelsior to invite its agents to attend directors meetings. The majority of the directors are prominent agents from seven states in which the company does business.

The Excelsior now has more than 400 agents, the great majority of whom are stockholders. Edwin J. Cole of Fall River, Mass., past president National Association of Insurance Agents, is chairman of the board; C. H. Watkins of Boston, and F. P. O'Connor of Lima, Ohio, both prominent local agents, are vice-presidents.

New Crum & Forster Dividend

Crum & Forster has declared a 30 cent dividend on Class A and B common stocks, which is payable Feb. 27 to shares of record Feb. 17. A dividend of 25.9 cents was paid Nov. 30.

Eagle Star and British Dominions Insurance Company Limited

90 John Street, New York

Prompt and intelligent service.

Modern underwriting methods.

A sincere agency viewpoint.

HARRY G. CASPER
United States Manager

BERT A. JOCHEN
Asst. U. S. Manager

CALEDONIAN INSURANCE COMPANY

The Oldest Scottish Insurance Office

GOOD faith to agents and policyholders at all times has been one of the fundamental policies of this company. It is exemplified by an honorable reputation, sound practices, sound underwriting and a sound financial policy.

Caledonian-American Insurance Co. of New York

Robert R. Clark
U. S. Manager and President

The Netherlands Insurance Co. of The Hague, Holland

Established 1845
Robert R. Clark, U. S. Manager

Executive Offices: Hartford, Conn.

AS SEEN FROM CHICAGO

FIREMEN'S NOT TO JOIN W. U. A.

There have been many rumors going the rounds recently that the Firemen's group might join the Western Underwriters Association. In many quarters this was taken as having a strong basis for truth. As a matter of fact, those who are close to the situation realize that the Firemen's people could hardly afford to make the move at this time, however much they might in a theoretical way desire to do so. The rumor undoubtedly has been accentuated because the Firemen's people signed the cooperative agreement of the National Association of Insurance Agents after being off the list of that body for some time and then recently agreed to cooperate with the Business Development Office work under Director F. S. Dauwalter, this being conducted by the Insurance Executives Association and the Firemen's not being a member.

The Firemen's people are cooperating in every possible way along ethical lines. However, to pull away from the Western Insurance Bureau in central western territory would mean the sacrifice of many agents and much business. The Firemen's could hardly be expected to do this at a time when premiums are off naturally. If the company joined the Western Underwriters Association it would mean that it would ultimately become an organization company east and far west. There are many factors that have to be considered in an important move of this kind. While there have been conversations with Firemen's officials on the subject they have been very candid in explaining that the move would be suicidal for them at this time.

J. M. CLARK MADE CHAIRMAN

J. M. Clark, executive special agent of the New York Underwriters in Chicago,

has been elected chairman of the Western Conference of Special Risk Underwriters. Walter Skow, superintendent of the special risk department of the Fireman's Fund, becomes vice-president. E. H. Born, assistant manager Western Underwriters Association, was reelected secretary. G. W. Owens, formerly Iowa state agent of the New York Underwriters, and recently transferred to Chicago as an executive special agent, was elected to membership.

The annual meeting was in the nature of a banquet. E. J. Hepp of the Springfield F. & M., the retiring chairman, presided.

* * *

CHICAGO BOARD MEETING

The new officers of the Chicago Board were installed at the annual meeting last week: C. M. Hayden, Glens Falls, president; R. M. Cunningham, secretary Marsh & McLennan, vice-president; F. J. Sauter, treasurer. The new directors are Charles Buresh of Fred S. James & Co., retiring president; H. J. Chidley, Chidley & Reynolds, and President H. M. Giles, Millers National. J. J. Brummel and J. M. Newburger were reelected on the patrol committee.

An amendment was adopted to the by-laws adding to the exceptions to short rate cancellation in cases where "an existing policy is increased in amount by endorsement in accordance with the rules." The effect of this is to retain the short rate on all policies written for less than one year but permits a revision in the rules and practice shown in the handbook to permit the increasing of existing policies by endorsement on a pro rata basis.

Mr. Buresh was presented with the gavel and a sterling silver service. R. M. Magill, who retired as treasurer after four years, was given a French wine jug

made in 1800. A large basket of flowers was placed on Mr. Hayden's desk.

Memorials were read for the late A. C. Meyer of the Associated Agencies, J. I. Naghten and L. E. Yager, both former presidents of the board.

* * *

FARM COMMITTEES NAMED

President C. E. Parks has appointed the committees of the Farm Underwriters Association. The managing committee consists of F. H. Cornell, Home of New York; A. G. Dugan, Hartford Fire; Robe Bird, American; J. W. Gregory, Crum & Forster; C. L. Bloom, Commercial Union; W. N. Achenbach, Aetna Fire; L. J. Braddock, North America; I. D. Goss, America Fore, and S. M. Buck, Fireman's Fund. Mr. Goss is chairman of the farm advisory committee. Rush Carter, Aetna Fire, Mr. Cornell, S. H. Quackenbush, Westchester Fire, and L. G. Warder, Hartford, are his associates. He is also chairman of the fire prevention committee and his associates are Mr. Bloom and Mr. Cornell.

* * *

VISIT A. D. T. HEADQUARTERS

The Chicago Casualty Forum held a special meeting in the American District Telegraph Company's operating rooms this week, with Martin Patt, United States Fidelity & Guaranty, in charge. The Fire Association of Philadelphia also had a group visit the A. D. T. headquarters. R. E. Maginnis, in charge of insurance relations for the A. D. T., was host. Mr. Maginnis is a member of the Chicago Association of Commerce fire protection committee and spoke to 1,600 students of the Flower Technical High School last week.

* * *

VERNOR MAKES ADDRESSES

R. E. Vernor of the Western Actuarial Bureau will address the Waukesha, Wis., industrial safety council Wednesday next. He spoke before the Home Makers Institute of the third Congressional district of the Illinois Federation of Women's Clubs at Ridge Park.

* * *

TOUR FOR COOK COUNTY FIELD MEN

A trip through the Underwriters Laboratories in Chicago has been arranged to follow the monthly luncheon meeting of the Cook County Field Club at the St. Clair Hotel, Feb. 8.

There will be a brief business meeting. The Underwriters Laboratories inspection will require two hours. Several special tests will be run for the visiting field men, President E. A. Birkemeier announces.

* * *

HUGH WOLFF WITH FATHER

Hugh Wolff, who has been connected in Chicago about a year with the New York marine firm of W. H. McGee & Co., has now joined the Associated Agencies of Chicago in the marine department. He is a graduate of Dartmouth college. His father is Allan I. Wolff of Associated Agencies, a former president of the National Association of Insurance Agents.

* * *

INSURANCE SECOND CHOICE

Insurance ranked second among the services and commodities most desired by Chicagoans, according to the fourth consumer survey of De Paul University, which made a personal check of 10,512 families through 44 interviewers. Automobiles were first on the list.

Residents were questioned in all sections of the city. Insurance was first choice of 648, second of 453 and third of 588, while radios trailed closely. Rankings were determined by the number placing the service or commodity first among desired things.

* * *

MILLERS NATIONAL CONFERENCE

Field men from the midwestern states of the Millers National were in the head office, city of Chicago, this week for a three-day conference with the management. President H. M. Giles presided at the sessions.

"Insurance Field" Now Publishing from Chicago

John E. Puckette, president and editor of the "Insurance Field" of Louisville, arrived by airplane in Chicago Monday afternoon. The building in which the "Insurance Field" office is located and where it is printed is out of commission due to the flood, but Mr. Puckette's residence 5½ miles out was not visited by water, although it came to within three blocks. In fact he was marooned on an island. He was drafted into service as a traffic policeman, guiding trucks and boats along the waterways. Inasmuch as the "Insurance Field" people were not able to get to the office there was no means of communicating with one another. The Chicago office under the leadership of Robert Cron, associate editor got Ben P. Branham, vice-president of the "Insurance Field" to authorize the printing of the combined fire and life edition last week in the plant of the Printing Products Company, which is the publication office of THE NATIONAL UNDERWRITER. THE NATIONAL UNDERWRITER extended all possible courtesies so that the "Insurance Field" could get out the edition. Its plant at Louisville will be out of commission this week and next week. Editor Puckette, therefore, is in Chicago to get out another edition this week and will also supervise next week's issue. The difficulty at Louisville is in securing power and light. No word was received from Mr. Puckette until Monday, when his traffic duties having subsided he was able to communicate with his associates. He had no electric light at his home, but his furnace was in working order. On his last day at his office Mr. Puckette parked his car far enough from the water as he thought to be safe. The river rose so rapidly that his machine was caught.

FIELD MEN HEAR ERION

F. L. Erion of Chicago, well known adjuster, attended the western department field conference of the North British & Mercantile one afternoon at Chicago and gave a talk that was highly appreciated.

* * *

L. A. Rose, Chicago local agent, is spending a number of weeks at Hollywood, Fla.

* * *

C. R. Street, western manager of the Great American and president of the Western Factory, and H. L. Grider, assistant manager of the Western Factory, were in New York City last week to attend the dinner of the Factory Insurance Association.

* * *

R. K. Johnson of Chicago, Illinois state agent of the National Union Fire, has returned from a vacation trip to Miami Beach.

O. C. Eldmann, 61, local agent at Belleville, Ill., died suddenly of a heart attack. He had been in business there 25 years.

I Am Tired of—

I am absolutely sick and tired of just exactly a dozen things. They are:

1. Testimonial dinners.
2. Imitations of Mae West.
3. Anniversary contests.
4. The expression "He's doing a swell job."
5. Low interest rates.
6. High taxes.
7. Relatives in business.
8. Secretaries who say "Have you an appointment?"
9. Strangers who sign letters "Cordially yours."
10. Super-colossal movies.
11. Inter-office telephones.
12. All toastmasters except Ernest Palmer.

—H. J. B.

Fire, Tornado, Automobile Insurance

THE LONDON & LANCASHIRE INSURANCE COMPANY, LTD.

ORIENT INSURANCE COMPANY

LAW UNION & ROCK INSURANCE COMPANY, LTD.

SAFEGUARD INSURANCE COMPANY

ENGLISH AMERICAN UNDERWRITERS AGENCY

STANDARD MARINE INSURANCE COMPANY, LTD. (Fire Dept.)

GILBERT KINGAN, Manager
Eastern Department
20 Trinity St.
Hartford, Connecticut

W. W. GILMORE, Manager
Pacific Department
332 Pine St.
San Francisco, Cal.

C. CLAUSSEN, Manager
Western Department
223 W. Jackson Blvd.
Chicago, Illinois

For Over Fifty Years Good Friends of Local Agents

NEWS OF THE COMPANIES

Big Gain in Assets Made by Phoenix of Hartford

Assets of the Phoenix of Hartford gained \$20,973,642 during 1936. This gain was largely accounted for by the fact that the Phoenix Securities Company was dissolved and its assets were transferred to the portfolio of the Phoenix Insurance Company at book value. Its assets consisted of stock in Connecticut Fire, Equitable Fire & Marine and other subsidiaries of the Phoenix. That transaction added \$18,500,000 to assets.

Total assets of the Phoenix amounted to \$62,406,194. Net surplus was \$38,182,317.

Subsidiaries are now carried on the books of the Phoenix as follows: Atlantic Fire, \$426,020; Central States Fire, \$2,084,210; Connecticut Fire, \$16,565,907; Equitable F. & M., \$5,879,115; Great Eastern, \$463,875; Minneapolis F. & M., \$2,230,900, and Reliance of Canada, \$730,740.

Aggregate assets of the Connecticut were \$22,794,194, of the Equitable F. & M., \$7,181,338. Combined assets of the other smaller members of the fleet were \$6,501,610.

Investment income of all members of the group was \$2,841,131. Net from investments was \$2,110,478. Underwriting profit amounted to \$1,016,414.

Premiums written were \$14,363,000, an increase of \$121,000. Losses incurred were \$5,190,000, an increase of \$612,000. Expenses amounted to \$4,057,000, increase \$339,000. Commissions were \$3,712,000. Loss ratio was 36.2 percent, expenses 28.2 and commissions 25.6.

President Giles' Prediction

H. M. Giles, president of the Millers National, at the annual meeting of the board said that he anticipates a substantial increase in business this year. The company has recently opened agency plants in Virginia, West Virginia and Washington, D. C., through its Philadelphia general agency, E. K. Schultz & Co. It has improved its inland marine service by the addition of three field representatives to look after the middle western, eastern states and California. Its sales promotion department is introducing a comprehensive prospecting plan.

Berry Executive Assistant

At a meeting of directors of the Security of New Haven and the East & West, a new position was created in the executive staff with the title of executive assistant. Peter J. Berry, now vice-president and general manager of the Connecticut Indemnity, one of the Security group, who has been identified with the organization for more than six years, has been appointed by President Roth as executive assistant.

Security Has Good Year

The Security of New Haven had a good year, the liquidating value of its shares being \$42.31 as compared with \$38.04 the year before. It increased its surplus \$599,644 and special reserve \$203,000. It had a gain of 6 percent in premium income, that item being \$4,024,647. The assets are \$11,863,175, compared with \$10,838,860. Its surplus increased to \$3,904,700 from \$3,773,864.

Inter-Ocean's Progress

The Inter-Ocean Reinsurance of Cedar Rapids, Ia., makes an excellent statement. Its assets are now \$5,649,286, it having \$2,188,240 government bonds, \$358,721 cash, \$612,632 other bonds, \$1,605,625 stocks. Its premium reserve is \$2,613,537, capital \$500,000, voluntary reserve \$150,000, net surplus \$1,759,094.

Republic of Dallas Shows Increase in Assets, Surplus

Assets of the Republic of Dallas increased \$403,690 during 1936 and now stand at \$7,912,462, President A. F. Pillet reported at the annual meeting. Surplus is \$4,742,889, an increase of \$159,092. Contingency reserve is \$695,732, as against \$500,000 for 1935. The real estate account has been reduced by sales and adjustments from \$963,706 to \$587,268. The Republic earned a substantial amount from underwriting and investment accounts. Stocks are carried at market values and bonds at amortized.

The directors declared a quarterly dividend of 3 percent or 30 cents per share, payable Feb. 25 to stock of record Feb. 10.

Fred A. Pierce, formerly secretary, was made a vice-president.

Aetna Fire's Statement

The Aetna Fire shows assets \$50,694,283, increase \$3,024,056. The premiums were \$16,785,403, increase \$389,857. Loss ratio was 40.63. The fire premiums were off but the increase came from automobile and marine. The underwriting profit is \$1,057,696 and investment gain \$3,085,545. The conflagration reserve is \$4,100,000. There is added to surplus \$1,402,092.

The World Fire & Marine assets are now \$5,357,634 and the Piedmont Fire, \$2,163,248.

Automobile-Standard Figures

The underwriting profit of the Automobile of Hartford was \$50,812, and net interest and rents earned amounted to \$675,473. The premium reserve increased from \$6,042,664 to \$8,220,955. Surplus increased from \$5,926,649 to \$6,831,284. In addition, the contingency reserve increased from \$925,000 to \$1,900,000. Assets increased from \$21,344,276 to \$24,894,913.

The big increase in premium reserve is due to the fact that 1935 was the last year of the reinsurance contract with America Fore. Last year the business that would have gone to America Fore, was retained by Automobile.

The underwriting profit of the Standard Fire of Hartford was \$116,167, and net interest and rents earned \$143,585. Premium reserve increased from \$1,804,552 to \$1,905,489. Surplus increased from \$1,648,714 to \$1,769,438. In addition, the contingency reserve increased from \$300,000 to \$450,000. Assets increased from \$5,029,212 to \$5,432,334.

General's Annual Exhibit

The General of America at Seattle in its new annual statement shows assets \$12,784,636, of which \$1,109,650 is cash, \$2,754,939 government bonds, \$3,431,515 other bonds \$3,775,825 stocks. The premium reserve is \$5,095,149, capital \$1,000,000, contingency reserve \$675,000, net surplus \$4,490,615. If market values had been used, the assets would be \$13,128,950 and policyholders surplus \$6,509,929.

Davenport Vice-President

Dixwell Davenport, San Francisco branch manager of the Bankers & Shippers, Pacific Fire and New Jersey, has been made vice-president of the companies. He has served as manager at San Francisco since he planted the companies there in 1919.

Phoenix Assistant Treasurer

J. D. Taylor, former banker, has been elected assistant treasurer of the Phoenix of Hartford. He joined the company Feb. 1 last year, when he left the investment department of the Hartford-Connecticut Trust Company. He was formerly with the Guardian Trust and Union Trust of Cleveland. He is a native of Port Huron.

GENERAL INSURANCE COMPANY OF AMERICA SEATTLE

ANNUAL STATEMENT—DECEMBER 31, 1936

ASSETS

Cash in Banks and On Hand	\$ 1,109,649.65
*Government Bonds	2,754,939.15
*Other Bonds	3,431,514.63
*Stocks	3,775,625.00
Mortgage Loans	369,006.34
Real Estate	209,917.81
Premiums in Process of Collection	1,050,773.05
Accrued Interest and Rents	63,486.73
Other Admitted Assets	19,723.81
TOTAL ASSETS	\$12,784,636.17

LIABILITIES

Reserve for Unearned Premiums	\$ 5,095,149.45
Reserve for Losses in Process of Adjustment	410,494.03
Reserve for Commissions, Taxes and Expense	340,625.07
Funds Held Under Reinsurance Treaties	532,753.09
Reserve for Dividends to Policyholders	240,000.00
Capital	\$1,000,000.00
Special Reserve for Unknown Contingencies	675,000.00
Net Surplus	4,490,614.53
Policyholders Surplus	6,165,614.53
TOTAL LIABILITIES	\$12,784,636.17

* Bonds are stated at Amortized or Investment Values, stocks at values approved by the National Convention of Insurance Commissioners. On basis of December 31, 1936 market quotations for all bonds and stocks owned, this company's total admitted assets would be increased to \$13,128,950.39 and policyholders surplus to \$6,509,928.75.

A Strong and Progressive Company for Progressive Agents

E. E. Cole, Jr., Manager
Eastern U. S. Dept.
116 John Street
New York, N. Y.

C. W. Davis
Supt. of Agents
200 North Broadway
St. Louis, Mo.



GULF INSURANCE COMPANY

Rated A+

Policy Holders' Surplus Over \$2,000,000.00

ATLANTIC INSURANCE COMPANY

Rated A+

Policy Holders' Surplus Over \$400,000.00

Offer Unexcelled Facilities in

Fire, Tornado, Automobile, (including
Liability), and Plate Glass

Address the Home Office

DALLAS, TEXAS

E. L. Flippen
President
G. G. Sheerin
Vice-President
T. R. Mansfield
V. P. and Sec.

EDITORIAL COMMENT

Life Begins at Forty

Life begins at forty for those who have something to live for and in and by. For the empty, it is a void. For the stupid, it is a stupidity. For the weak, it is a conscious death. But for the vigorous and the vivid, it is the end of an overture and the beginning of still greater music.

THE foregoing quotation comes from that well known book by WALTER B. PITKIN, "Life Begins at Forty." It is a volume that people read with profit to themselves. They probably in many instances were attracted to it by its unique title. Author PITKIN epitomized the outlook or attitude of a man or institution as one crosses the 40-mile line.

Forty years acts as a great testing period. If an institution survives during that length of time, and has in it the elements of continuous strength and growth, we would be inclined to call it permanent.

It is well to pause at important anniversaries, take an inventory of what has been done, see just what our policy is, what our relationships are with our fellows, what our outlook on life is, what we intend to do in the future and what hopes we have.

This week, to be exact, on Thursday, marks the 40th anniversary of the establishment of THE NATIONAL UNDERWRITER and its predecessor, in name the "Ohio Underwriter" of Cincinnati. We have before us this first issue, consisting of 16 pages covering all branches of business. The following advertisements appear: CINCINNATI INSURANCE COMPANY, SECURITY TRUST & LIFE of Philadelphia, GUARANTORS LIABILITY INDEMNITY of Philadelphia, MUTUAL LIFE of New York, INTERSTATE CASUALTY of New York, OHIO FARMERS, PHOENIX MUTUAL LIFE. Only three remain.

A feature article in the first edition referred to the Ohio insurance department, W. S. MATTHEWS being superintendent; Capt. JOHN P. SLEMMONS, chief deputy; O. W. CARPENTER, chief examiner; W. J. BEGGS, stenographer and correspondence clerk. In fact, most of the edition is given to Ohio insurance affairs.

In that first edition the present managing editor started a department "As Seen from Chicago," he then being insurance editor of a Chicago daily. That is the only departmental and typographical feature still carried from that day.

A few weeks previous to this date in 1897, E. J. WOHLGEMUTH arrived in Cincinnati with a sum of less than \$100 in his pockets. He was a young man who had been trained under the estimable YOUNG E. ALLISON, who was then editor of the old "Insurance Herald" of Louisville. Mr. ALLISON had a decided influence on young WOHLGEMUTH, who was fired with ambition, enthusiasm, determination and exalted hopes. Mr. ALLISON was an idealist, one deeply grained with rich sentiment and Mr. WOHLGEMUTH basking in that atmosphere became an idealist himself, yet of a different type than his preceptor. Mr. WOHLGEMUTH had stronger business instincts and was more commercially inclined than Mr. ALLISON. He had gotten out a Michigan insurance directory while he was with the

"Indicator" of Detroit and that was one of the first publications of its kind. Immediately he arranged to get out the Ohio insurance directory.

Mr. WOHLGEMUTH rented a small office at 415 Vine street, Cincinnati, a building owned by the AETNA FIRE which had its western department in that structure. It was then necessary to economize in every way. By some hook or crook he got credit from a local printer to get out the initial issue. His great boosters in the early days were the fire insurance field men of Ohio, some of the Cincinnati local agents and a few life insurance general agents.

During 40 years, Mr. WOHLGEMUTH as head of the publishing company has accomplished something worth while. His first edition was 16 pages, a semi-monthly, as already stated. This week THE NATIONAL UNDERWRITER issues in its regular course two weekly papers, one devoted to fire and casualty insurance, and the other to life insurance, one consisting of 52 pages and cover and the other 28 pages and cover. That is an indication not only of the growth of the paper but of the insurance business itself. Later on the "Ohio Underwriter" became the "Western Underwriter." That showed that the geographical area which the paper served was extending. Then in due season followed THE NATIONAL UNDERWRITER and the paper became countrywide in its activities. In addition, The National Underwriter Company itself publishes five monthly publications.

Mr. WOHLGEMUTH has been able to contribute to the publication side of insurance some very definite achievements which have had a far reaching effect. In our opinion, he, more than anyone else, deserves the credit for leading the movement to eliminate "support" from insurance publications. He took the position that no paper deserved to be "supported" because it was an insurance publication. Mr. WOHLGEMUTH was very decided in his stand that a publication should stand on its own merits and achievements. It deserved nothing from companies or the fraternity at large if it could not make its own way and be of service. Mr. WOHLGEMUTH was determined so far as his own publication was concerned to pursue a strictly business-like course. He realized that a paper must have ample circulation to justify its existence. Therefore, he gained for the "Ohio Underwriter" circulation sufficient to give it a good ballast. He combed Ohio for subscribers. Then the young publisher tackled West Virginia and next Michigan. Ever since those early days, circulation has been one of the prime factors in the scheme of THE NATIONAL UNDERWRITER.

As time went on and Mr. WOHLGEMUTH expanded his organization he realized that in order to maintain circulation of a trade paper that was lasting it would be necessary to get readers who were really interested in the business and wanted to keep abreast of the times. Forced circulation would only be temporary. He saw that after a state had been quite well canvassed it would not be financially profitable to keep sending subscription solicitors over

the field solely for the one purpose year after year. This gave Mr. WOHLGEMUTH the stimulus to build an insurance publishing house not merely devoted to the publication of a weekly paper. He, therefore, inaugurated an expansion of the state insurance directory system, publishing of books, bulletins, supplies, services of various kinds and adopted the slogan, "Everything for the Insurance Man." It was seen that a field man traveling for a publishing company could well afford to make repeated trips because he had numerous insurance features to offer. Thus was combined advertising, circulation, state insurance directory work, the sale of supplies, bulletins, services, books, etc. It was really this plan that has enabled The National Underwriter Company to build a substantial organization with 15 men constantly on the road, giving full time service and in addition there are seven or eight office people that are sent out from time to time. This has given The National Underwriter Company a diversified line with which to work. It has enabled it to send a salesman into a town with the result that his visit there is profitable.

Another factor in Mr. WOHLGEMUTH's scheme of organization has proved highly efficacious. He saw that at the time he undertook the establishment of the old "Ohio Underwriter" almost every insurance magazine was dominated by one personality who to all practical purposes constituted that publication. There were insurance papers prominent at that time which have faded out or their light has almost flickered out because the genius that presided over it monopolized the stage and is now no longer at the wheel. When that personality departed, the publication eventually collapsed. Therefore, Mr. WOHLGEMUTH has been interested in tying key men to The National Underwriter Co. through participation in the business itself whereby they became partners in the enterprise. When he found a lieutenant who was doing his work in a very creditable way Mr. WOHLGEMUTH immediately sought to continue his interest. He endeavored to leave the impression at all times that while he was the head of the organization the men working with him deserve full credit for their accomplishments and he did not endeavor at any time to assume approbation for what they did. Naturally no business house can hold every good man that starts with it. From THE NATIONAL UNDERWRITER school have graduated some very excellent men who are holding high positions elsewhere. However, Mr. WOHLGEMUTH has been exceedingly successful in developing in all departments of the publishing company's work specialists, men of ability, probity and high aim. He has attracted young men of promise and keen mind.

Another strong feature in Mr. WOHLGEMUTH's business program has been placing of entire responsibility on men associated with him. He has sought at all times to keep THE NATIONAL UNDERWRITER organization from being a one-man proposition. To do this he has not hesitated to throw heavy responsibility on men who have the capacity of assuming it. This has resulted in them growing in stature, in becoming independent in judgment and self reliant. Mr. WOHLGEMUTH has endeavored to so round out the various activities of his work that the organization constitutes its real strength and not any individual. He has tried to make every man feel his own importance in the organi-

zation and to enthuse him with the idea that it is entirely up to him and no one else to chart his course. As an indication of his sound business policy in the effort to build independent judgment and action it is most interesting to know that Mr. WOHLGEMUTH has never issued a command to the editorial department. That is, he has never ordered any article published or not published.

Throughout his entire career Mr. WOHLGEMUTH has evinced the highest sense of personal, mental and spiritual probity. There are few men that have such an exalted conception of right and wrong, justice and injustice. He has no room for the fourflusher, exploiter, the man who does not appreciate the trusteeship of his position. This is particularly seen in his attitude toward life insurance management as he does not hesitate to denounce those who use their positions for their own gain and have not appreciated as they should their trusteeship responsibility.

Many years ago Mr. WOHLGEMUTH inaugurated in his publishing company a plan for employee participation in profits, if there be such, and this has been extended to everyone in its ranks. He feels that the workers, however humble they are, contribute to the success of the business and therefore it is only fair that they should share in the profits.

These observations are not made merely to glorify a publication. When any enterprise, starting in a most humble way, in 40 years, grows to one of importance, there is some reason for it. Looking at The National Underwriter Co. abstractedly, it furnishes a study of a creative and resourceful business genius, who keeping in later years much in the background has been chiefly interested in building an institution to be perpetuated for the benefit of those who have contributed to its well being. Mr. WOHLGEMUTH today is deeply concerned with plans that will enable his associates to continue the work he started, with credit and success when he closes the book.

Combining these various aspects Mr. WOHLGEMUTH has succeeded in infusing in the organization a spirit of cooperation and determination that on its 40th anniversary finds all associated with the enterprise knit closely together, realizing that each one has his part to play. It seems reasonable to predict that THE NATIONAL UNDERWRITER during the next 40 years will be able to render a far greater service than it has in the last four decades.

PERSONALS

E. H. Mulock of Hopkins & Mulock, Des Moines agency, has been elected to the board of the Des Moines Railway Co., representing a group of bondholders.

W. E. McCullough of Denver, manager of the Rocky Mountain department of a number of companies, has been in New York and returned via Chicago where he stopped to hobnob with old friends.

G. J. Mazzia was found dead from a gunshot wound in his room in San Francisco. It is believed a pistol he was handling was accidentally discharged. Mr. Mazzia was formerly with the New Orleans office of the Fire Companies Adjustment Bureau and was transferred to San Francisco two months ago. He was a son of the late J. F. Mazzia, long

prominent in the adjustment field. Five brothers, Angelo, James F., Martin, Edward and Eugene, are with the adjustment bureau.

Miss Ida Wallace of Dubuque, Ia., a pioneer insurance woman, died at her home there. She went to Dubuque in 1898 to open a women's department for the Mutual Life of New York. Later she opened an inspection bureau for the fire insurance companies in Dubuque, and every fire insurance policy written in Dubuque for many years went through her hands. She retired a number of years ago.

Homer Senneff of F. X. Newcomer & Co., local agency at Dixon, Ill., and Mrs. Senneff are both confined to the Huber Memorial Hospital at Pana, Ill., due to an accident which they suffered while driving in their automobile returning from a trip to Florida.

A. L. Riggsbee, 55, manager of the insurance department of the Fletcher Trust Co. of Indianapolis, for many years, was found dead at the home of his mother north of Manilla, Ind., under circumstances which indicated suicide. Mr. Riggsbee had been a leader in insurance circles not only in Indianapolis but in the state. He had been president of the Indiana Association of Insurance Agents and held other official positions. He was recognized as an authority, especially as to coverages for large risks.

McCrory, Armstrong & Waters, well known agency at Jacksonville, Fla., is celebrating its 25th anniversary. It is one of the southeast's largest general agencies, grown from a one-man organization in 1912. The principals in the agency are W. M. McCrory, V. J. Armstrong and J. B. Waters. It has an organization of six executives and junior executives and a staff of 14 clerks.

H. P. Pratt of Sioux City, president of the Iowa Association of Insurance Agents, plans a vacation trip to Florida and Cuba, starting Feb. 15. His wife will accompany him.

Harold V. Smith, vice-president Home of New York, made a business trip through the south last week. He rather unexpectedly had an opportunity to view some of the havoc wrought by the flood. Mr. Smith reported, however, that he found agents generally optimistic as to business prospects throughout the area.

Melvin F. Lanphar of the Lanphar Agency, Detroit, is convalescing at his home after an emergency operation and six weeks illness.

Funeral services were held in Columbus Monday for William C. Safford, 67, father of W. C. Safford of the Western & Southern, Cincinnati, and former Ohio superintendent.

U. M. Lelli, inland marine general agent of the Phoenix of Hartford in Chicago, is leaving this week for a vacation trip to Florida.

W. R. Kirk, western field representative North British & Mercantile, will spend next week visiting several towns in Missouri, conferring with agents.

Axel J. Nelson of Chicago, senior daily report examiner in the western department of the Hanover Fire, was significantly honored Monday, it being his 40th

San Francisco Speakers



HERBERT COBB STEBBINS, Denver



RAYMOND L. ELLIS, San Francisco

A prominent speaker before the annual meeting of the Pacific Fire Underwriters Association in San Francisco this week is Herbert Cobb Stebbins, well known general agent in Denver, who is secretary of the American Association of Insurance General Agents and a former president. Another is Assistant Secretary R. L. Ellis of the Fireman's Fund, who was formerly a prominent factor in the general agents association before he took his present position.

anniversary with the office. He was presented with a wrist watch and a magnificent bouquet of red roses by his office associates. The Chicago Association of Insurance Examiners gave Mr. Nelson a bouquet of flowers. He was one of its founders and served as its second president. The first president was W. H. Gartside, who at that time was one of the chief examiners of the National. Mr. Nelson is one of the most efficient underwriters in western offices. He started with the Hanover in 1897 when H. P. Gray was manager and its western department was in the Security building. His brother, V. M. C. Nelson, chief clerk in the department, has been with the office since it started Jan. 23, 1894. Another brother, Hjalmar Nelson, also an examiner, is in his 37th year with the Hanover.

J. B. Packer, local agent of Philadelphia with offices in the Commercial Trust building, died suddenly at his home in Wynnewood. He was a native of Sunbury, Pa., and attended Butler College and Yale.

Continue Detroit Courses

DETROIT, Feb. 3.—The Detroit Association of Insurance Agents will continue its evening classes in insurance for agents, buyers and others interested in insurance matters for the second semester at Wayne University. The first semester classes drew a good attendance.

The course in fire and transportation insurance will be given by H. Thompson Stock of the A. J. Stock agency, a director of the Detroit association, and the course on casualty, fidelity and surety by Harold Reinhold, manager bonding department United States Fidelity & Guaranty in Detroit. This course complements the one on fire and transportation and may be taken at the same time.

Good Response Given to New National Board "Ad"

The early response has been favorable to the National Board advertisement appearing in the February issues of "Time," "Nation's Business," "Forbes," "Business Week," and "Credit & Financial Management." This is in the form of a chart in two colors showing the fluctuation in loss ratio year by year since 1900 together with a steadily descending line of fire insurance average rates in the United States since 1905. In that year the average rate was \$1.167 whereas the estimated average rate in 1936 was \$0.675. In 1935 it was \$0.710.

The advertisement has been enlarged to poster size and this poster is now being distributed to agents by the National Board. It measures 16 by 22 inches. The National Board also offers the agents reprints of the advertisement in letterhead size for distribution.

"Despite fluctuating fire loss ratios," the advertisement states, "old line capital stock company fire insurance provides sound, known cost indemnity and at steadily decreasing cost. Since 1900 there have been 100 conflagrations in the United States and Canada. Others are likely. Old line capital stock fire insurance through cash capital, reserves and surpluses, provides not only for payment of normal losses, but also supplies the buffer to withstand the shock of catastrophe, while maintaining a definite cost to policyholders. By far the greater part of insured values is protected by this type of insurance. Stock company fire insurance rates have steadily decreased from an average of \$1.17 per \$100 in 1905 to an estimated average of \$0.675 for 1936. Why risk wide changes in your insurance cost? Purchase old line capital stock company

INSURANCE STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 133 So. La Salle St., Chicago, at close of business Feb. 1, 1937

	Par	Div.	Bid	Asked
Aetna Cas.	3.00	3.00*	113	116
Aetna Fire	10	1.60	49 1/2	50 1/2
Aetna Life	10	.80	34	35
Agricultural	25	3.00	88	90
Amer. Alliance	10	1.20*	24	25
Amer. Equitable	5	1.20*	38 1/2	39 1/2
American (N. J.)	2.50	.50	13	14
Amer. Surety	25	2.50	62 1/2	64 1/2
Automobile	10	1.20*	33	35
Balt. Amer.	2.50	.30	8 1/2	9 1/2
Boston	1.00	21.00*	695	715
Camden Fire	5	1.00	22	23 1/2
Carolina	10	1.20*	29	30
Conti. Cas.	5	1.00	32	33
Conti. Ins.	2.20	1.45*	41	42
Crum & For. Com.	10	.90*	32 1/2	33 1/2
Fidelity & Dep.	20	2.25*	127	131
Fidelity-Phen.	2.50	1.45*	43 1/2	45
Fire Assn.	10	2.50*	82	84
Fireman's Fund	25	4.00	92	95
Fireman's F. Ind.	10	...	39	41
Fireman's (N. J.)	5	...	12 1/2	13 1/2
Franklin	5	1.20*	33 1/2	35
Gen. Reinsur.	5	2.00	43	45
Glen's Falls	5	1.60	46	47 1/2
Globe & Repub.	5	.62 1/2*	20 1/2	22
Gl. & Rut. (com.)	25	...	73	77
Gl. Amer. Fire	5	1.20*	27 1/2	28 1/2
Gl. Amer. Ind.	1	.15	87 1/2	10
Halifax Fire	10	.90**	22 1/2	23 1/2
Hanover Fire	10	1.60	36 1/2	38
Harmonia Fire	10	1.20*	29	31
Hartford Fire	10	2.00	76	77
Htd. Steam Boil.	10	1.90*	73	75
Home F. & Mar.	10	2.00	41	44
Home Fire Sec.	10	...	6 1/2	6 1/2
Home (N. Y.)	5	1.25*	40	41
Homestead	10	1.00	23 1/2	24 1/2
Ins. Co. of N. A.	10	2.50*	72 1/2	75
Kan. City F. & M.	10	.60	20	22
Knickerbocker	5	.50	17	18
Maryland Cas., com.	1	...	8	8 1/2
Merch. Mfrs.	5	.40	13	14
Mer. Assur. com.	5.00	1.60	59	62
Natl. Cas.	10	.80	21 1/2	22 1/2
Natl. Fire	10	2.00	66 1/2	68
Natl. Liberty	2	.40*	10 1/2	11
Natl. Union	20	4.00*	140	144
New Am. Cas.	2	...	16	17 1/2
New Brunsw. F.	10	1.30	36	37
Northern (N. Y.)	12.50	4.00*	98	101
North River	2.50	1.00*	27 1/2	29
N. W. Natl. Cas.	2.50	.10	6 1/2	7 1/2
N. W. Natl. Fire	25	6.25*	134	138
Pacific Fire	25	5.00*	134	137
Phoenix, Conn.	10	2.50*	96	98
Prov. Wash.	10	1.25*	38	39
Repub. Ins. Tex.	10	1.00	28	30
Rossia	5	.80*	12	13
Security	10	1.40	34	36
Southern Fire	10	1.20	30	32
Spfld. F. & M.	25	4.75*	130	133
Travelers	100	16.00	525	535
U. S. Fire	4	1.90*	54	56
U. S. F. & G.	2	...	27	28
Westchester Fire	2.50	1.40*	36	38

*Includes extra. **Canadian funds.

fire insurance and be assured of sound protection at definite cost."

Fond du Lac Board Elects

FOND DU LAC, WIS., Feb. 3.—W. J. Ryan was elected president of the Fond du Lac Board to succeed Hugh Crosby. W. I. Cole is vice-president, and A. J. Petrie, reelected secretary-treasurer. Directors are: Mr. Crosby, G. F. Korner, Joseph Pilon, John Litcher and Harold Wurtz. F. M. Weaver and I. M. Mueller of the Western Adjustment, were guests. Mr. Weaver spoke on adjustments of fire, tornado and automobile losses.

Cleveland Board Annual Meeting

CLEVELAND, Feb. 3.—The annual meeting of the Insurance Board of Cleveland will be held Feb. 10. Three trustees will be elected to succeed L. S. Asling, F. B. Ayer and C. A. Benner. A list of six candidates submitted by the nominating committee includes these three, together with G. A. Geuder, H. V. Luce and L. G. Rose.

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W. A. SCANLON, G. C. RODING, O. K. SCHWARTZ

DALLAS OFFICE — 1218 Kirby Blvd., Tel. 2-4491. Fred B. Humphrey, Res. Mgr.

ATLANTA, GA., OFFICE — Trust Company of Georgia Bldg., Tel. Walnut 9997. W. M. Christensen, Res. Mgr.

CANADIAN BRANCH — Toronto, Ont., St. East. Tel. Waverly 3154-5. Ralph H. Richman, Vice-Pres., W. H. Cannon, Manager.

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FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Michigan Mid-Year Program

Detailed Plans for Agents' Meeting to Be Held at Lansing Feb. 11-12 Have Been Announced

LANSING, Mich., Feb. 3.—Program for the mid-year meeting of the Michigan Association of Insurance Agents here Feb. 11-12 has been virtually completed. Clyde B. Smith, former president National Association of Insurance Agents, has charge of local arrangements.

Fully 300 agents are expected to attend, providing weather conditions are good. Interest in the meeting this year is greater than usual because of the stress on the Business Development Office program in a series of regional meetings, most of which drew attendances of from 125 to 200. The fact that the legislature is in session and that an aggressive legislative program has been mapped by the legislative committee, headed by Mr. Smith, is also a factor.

The governing committee will start its sessions at noon Feb. 11. At 6:30 p. m. an informal dinner has been arranged, to be followed at 8 o'clock by committee meetings.

Saturday's general meeting will open with committee reports, followed by appropriate discussion. There will be a general discussion of municipal insurance, a matter which has come to the fore recently in several Michigan cities.

Invited to the luncheon session are Governor Murphy, Commissioner Gauss and his deputies, and members of the senate and house insurance committees.

Afternoon Session

The afternoon session will start with the conference committee report by George Carter of Detroit, chairman. J. W. Mundus, Ann Arbor, will report on business development activities and this will also be the subject of F. S. Dauwalter, manager Business Development Office. A general discussion will follow. There will then be discussion of "The Supplemental Contract," directed by W. H. Ellis of the Royal group, Chicago, who has been addressing the regional business development meetings. Use and occupancy insurance will be discussed by C. H. Metzner, Detroit, state agent Phoenix of Hartford.

J. M. Crosby, Jr., Grand Rapids, president of the state association, will preside at most of the meetings.

The regional meetings closed with a session at Grand Rapids, more than 160 agents from the city and nearby cities and towns attending.

Little Is Lorain County Head

Annual Meeting Shows a 90 Percent Membership—C. E. Cooper Presides at the Gathering

The annual meeting of the Lorain (O.) County Insurance Association was held last week at Elyria. President C. E. Cooper of Amherst presided and C. E. Snyder, Lorain, secretary and treasurer, gave a report of his stewardship. He showed that more than 90 percent of the agents of the county are members. It will be the object during this year to enroll every possible member and there will be a big membership drive.

The following were elected trustees: C. E. Cooper, Amherst; Harold Covault, Lorain; E. W. Hubbard, Elyria, and C. W. Kinney, Oberlin. The other trustees are R. G. Little, Lorain; W. H. Sponseller, Wellington, and R. W. Standen, Elyria. The following officers were elected: R. G. Little, Lorain, president; R. W. Standen, Elyria, vice-president, and C. G. Snyder, Lorain, secretary-treasurer.

Committees are R. G. Little, Lorain; W. H. Sponseller, Wellington, and R. W. Standen, Elyria. The following officers were elected: R. G. Little, Lorain, president; R. W. Standen, Elyria, vice-president, and C. G. Snyder, Lorain, secretary-treasurer.

Name Committees in Illinois

Groups of Agents Association to Carry on Work Are Approved by Directors

Committees of the Illinois Association of Insurance Agents as selected by the various chairmen have been approved by the board and are announced. They are:

Budget and Finance—H. H. Monier, chairman, Champaign; P. B. Hosmer, vice-chairman, Chicago; S. E. Moisant, Kankakee.

Local Boards—J. J. Beattie, chairman, Rockford; George Schorie, Joliet; J. L. Gover, Mattoon; J. M. French, Ottawa; C. P. Smith, Bloomington; W. H. Jennings, Jr., Rockford.

Membership—D. F. Giberson, chairman, Alton; T. E. Dowling, East St. Louis; H. R. Checkley, Mattoon; R. L. Weller, Springfield; Lynn Clark, Decatur; Glenn Mendenhall, Peoria; H. E. Rardin, Woodstock.

Farm—M. I. Hall, chairman, Belvidere; Perry Keck, Fairbury; Ray A. Bastian, Hinckley; O. A. Sanks, Decatur; B. R. Frankenburger, Rio; Francis J. Lambert, Beaverville.

Grievance—N. M. Winters, chairman, Quincy; Rockwood Hosmer, Chicago; C. A. Schryer, Springfield; G. N. Taylor, Streator; C. R. Miller, Charleston.

Legislative—Rockwood Hosmer, chairman, Chicago; Frank Smith, Urbana; N. C. McLean, East St. Louis; J. J. Broderick, Jr., Chicago; R. W. Troxell, Springfield.

Public Relations—Wade Fetzer, Jr., chairman, Chicago; N. C. Gochenour, Vandalia; A. J. Anderson, Kewanee; Rush Butler, Jr., Chicago; Jeremiah McQuade, Peoria; Joseph Brummel, Chicago.

Casualty and Surety—R. W. Miller, chairman, Chicago; Wolford Shane, Danville; Dean J. Harris, Lincoln; V. G. Muselman, Quincy; Don Wood, Chicago; F. R. Hazlett, Galesburg.

Automobile—C. J. Montgomery, chairman, Rock Island; Al Ernst, Alton; Earle Tarbox, Moline; Henry Schurman, Collinsville; H. W. Capen, Bloomington; R. W. Miller, Chicago.

Fire and Accident Prevention—S. A. Rothermel, chairman, Chicago; J. M. Newberger, Chicago; Frank Stager, Sterling; L. B. Tuthill, Anna; R. C. Mitchell, Rock Island.

Public Business—L. H. Gift, chairman, Peoria; W. A. Schneider, Kankakee; Casper Brown, Springfield; A. I. Wolff, Chicago.

The association has just started publishing a monthly bulletin entitled "Illinois Agency Bulletin," bearing an outline of the state in red ink and carrying out the color scheme of the National Association of Insurance Agents' "Agency Bulletin" before it changed its dress.

Farm Recommendations Made

Michigan Committee of the State Body Meets with Advisory Group of Company Men

Members of the farm committee of the Michigan Association of Insurance Agents consisting of P. J. Braun of Flint, P. D. Worgess, Lapeer, and L. A. Funk of Niles were in Chicago last week conferring with the advisory committee of the Farm Underwriters Association regarding writing farm insurance in their state. The company committee consists of I. D. Goss, American Fore, chairman; Rush Carter, Aetna Fire; F. H. Cornell, Home; S. H. Quackenbush, Crum & Forster, and L. G. Warder, Hartford Fire. C. E. Parks, National, president of the association, and E. H. Born, assistant manager Western Underwriters Association, sat in with the committee.

business is continued by some of his assistants.

F. Buchanan Owen, president of the Cleveland Insurance Agency, had for many years been a big factor in insurance especially casualty and surety.

Dauwalter Outlines Fight on Non-Stock Competition

Speaking on "Security in Fire Insurance," F. S. Dauwalter, director Business Development Office, New York, told members of the Insurance Board of Cleveland that they should emphasize the quality of their product. He contrasted the old haphazard methods of buying insurance as compared with systematic coverage today.

"Unfortunately, security, which is the very backbone of insurance, has fallen into the background and price has taken too prominent a part during recent years," he declared. "Many people have come to believe that a state license is a guarantee of solvency when, as a matter of fact, the license was issued only for complying with certain minimum requirements."

Manning Sheboygan Speaker

SHEBOYGAN, WIS., Feb. 3.—C. E. Manning, electrical engineer of the Underwriters Laboratories at Chicago, spoke on fire prevention at the annual safety school. Eugene Arms, manager Mutual Fire Prevention Bureau, Chicago, who was scheduled to speak, was unable to appear because of illness.

Question Fire Station Coverage

GRAND RAPIDS, MICH., Feb. 3.—The city commission is arguing the problem of insuring local fire stations. Commissioner Greene has expressed opposition to continuing coverage on these buildings, although the total premium for buildings valued at \$215,454 is only \$453 annually. This is on a 90 percent coinsurance basis. The city is building up a self-insurance fund which it is planned to substitute for all private coverage as soon as possible. About \$5,000 has been appropriated so far toward the fund.

Hofer Heads Quincy Board

The Quincy (Ill.) Board has elected H. F. Hofer president succeeding N. M. Winters. Kley Miller is made vice-president and F. G. Whiteman was re-elected secretary. Quincy fire losses were less than \$30,000 last year. The local board discussed a campaign for fire prevention together with the strengthening of the fire department.

Joins Carthage, Mo., Agency

W. F. Maring, Jr., former executive secretary of the Kansas City Insurance Agents Association and the Missouri Association of Insurance Agents, has joined the Maring & Bogges agency of Carthage, Mo., which has been operated by Mr. Maring's father for many years. The son has recently been a leading producer for the Business Men's Assurance at Junction City, Kan.

Michigan Agencies Merged

Two of the oldest agencies in Muskegon, Mich., the Easton Agency and F. D. Smith & Co., have merged as Smith, Easton & Quick, with offices in the Michigan Theater building. Officers are: President, D. H. Smith of the F. D. Smith agency; first vice-president, R. E. Easton, former head of the Easton agency; second vice-president, E. J. Quick, long with the Smith agency; secretary, Mrs. Eloyse Easton, and treasurer, Fred Albrecht.

The Smith agency was founded in 1867 by D. C. Tillotson, who operated

it until 1889 when it was acquired by L. B. Smith, a brother of F. D. Smith, whose son becomes president of the new organization. Mr. Smith has been with the merged agency for eight years and Mr. Quick for 17 years. The Easton agency was organized in 1884 by R. P. Easton, grandfather of the owner of the agency now being consolidated in the new firm.

Throop Heads Lansing Board

LANSING, MICH., Feb. 3.—New officers have been elected by the Lansing Association of Insurance Agents, as follows: President, Ray Throop, succeeding C. L. Fratcher; vice-president, Harry LeBuda, and secretary-treasurer, Roscoe Mosher, reelected.

A resolution was passed to add to the directors each year the retiring president. Mr. Fratcher will serve with the present officers, Clyde B. Smith, former president National Association of Insurance Agents, who is a board member emeritus for life, and the following new directors: A. A. Smith, Curtice Smith and R. M. Goodell.

An educational meeting is being arranged for Feb. 9 to be addressed by Prof. Cecil Nickle of Michigan State College on "Speech in Business," and by Dean W. Kelley, local attorney.

May Discontinue Some Offices

The report is heard that the so-called "action" committee which has been studying the recommendations of the Sherrill state government survey for Governor Davey of Ohio will recommend the discontinuance of the state fire marshal's offices in Cincinnati, Dayton, Cleveland and Toledo. The state survey recommended that these offices be abandoned and the investigation work be done from the main office in Columbus. A saving of \$15,816 per year is claimed. State Fire Marshal Frank Henry, it is understood, objects to such a course.

Regional Meetings in Iowa

SIOUX CITY, IA., Feb. 3.—Western Iowa will have its attention called to the Business Development Office program Feb. 9 at Council Bluffs and Feb. 10 at Sioux City, when regional meetings will be held addressed by company men as well as agents. To these meetings will be invited not only members of the Iowa and National Associations of Insurance Agents but all recognized fire insurance agents in the districts.

A committee composed of Clay Stewart, Aetna Fire; T. C. Little, Fireman's Fund; J. H. Bunten, Fire Association; President H. P. Pratt of the Iowa As-

sociation of Insurance Agents; R. W. Forshay of Anita and M. S. Denman of Des Moines will promote the meetings, with Secretary Cutter of the Iowa association furnishing names and ammunition.

Other meetings will be held in Iowa, but definite plans have not yet been made.

C. E. Gauss Is Feted

The Michigan insurance companies sponsored a testimonial banquet for C. E. Gauss, former commissioner of that state, who was just recently reappointed to office. The toastmaster was Frank H. Ellsworth, president of the Michigan Surety and a former commissioner. Other speakers included: B. L. Hewett, western manager Boston and Old Colony; V. V. Moulton, president Auto-Owners; R. K. Orr, president Wolverine; L. H. Baker, first vice-president Michigan Millers Mutual Fire; W. E. Robb, secretary, Citizens Mutual of Howell; F. M. Hector, secretary Michigan Mutual Hail.

The various speakers pledged support in the endeavor to secure increased appropriations for the department. Three members of the senate insurance committee were present.

Commissioner Gauss promised to provide the state with the best supervisory service of which he is capable if accorded a sufficient appropriation.

Senator George Weadock of Saginaw, himself an agent and former department examiner, said he would do everything in his power as senate insurance chairman to provide the department with more funds. His sentiments were echoed by two other senate committee members, one of whom, John C. Wickstrom, Norway, is an agent, and by the chairman of the house committee, Representative Mullen of Wallace, and by several of its members.

Among the guests present were the department's first and second deputies, H. B. Corell and R. M. Morse. The former served in that capacity during Mr. Gauss' earlier regime as well as under three other commissioners, and Mr. Morse was head of the licensing division.

Hear Policyholders' Plea

JEFFERSON CITY, MO., Feb. 3.—The plea of Glenn Weatherby, former associate attorney-general, in behalf of several policyholders in the 16 1/2 percent

fire rate case was taken under advisement by the supreme court. Mr. Weatherby asked for an immediate distribution in full to the policyholders of the \$1,786,481 of extra premiums impounded by the Cole county circuit court. The compromise reached by Superintendent O'Malley and the insurance companies was opposed by Mr. Weatherby. The court asked Mr. Weatherby regarding his participation in the original compromise, and Mr. Weatherby claimed he opposed it from the first. He argued that Superintendent O'Malley has disqualified himself as legal representative for the policyholders by entering the compromise agreement. R. J. Folonie, attorney for the companies, contended that Weatherby did not have authority to intervene since the matter was before the high court on appeal from the Cole county circuit court.

Purchases Agency Interest

T. H. Cormane has bought J. K. White's interest in the Savannah (Mo.) Insurance Agency. Mr. White, in the general insurance business for more than 50 years, is a pioneer Missouri local agent. He has managed the Savannah agency since 1915.

Nelson with Hoose Agency

Hoyt S. Nelson, vice-president of the Phister Insurance Company, Kansas City, has resigned to join the C. M. Hoose Company, an agency recently formed by C. M. Hoose.

Mr. Nelson was with the Phister agency more than 19 years. For 3 1/2 years he was in the claim department of the Maryland Casualty, which was in the Phister office. He then became assistant secretary and later vice-president of the agency.

Shea Now Rodger's Secretary

E. P. Shea has become secretary to J. W. Rodger, manager Fire Underwriters Association of St. Louis, filling the vacancy caused by the recent marriage of Miss Florence Hinckley.

Middle West Notes

The Cunningham Insurance Service, Cleveland, has been incorporated by C. F. Olson, M. A. Roemisch and F. R. Simler. Jacob Unis, one of the old time insurance agents of Ashtabula, O., died Jan. 26. He had not been active the last few years.

IN THE SOUTHERN STATES

Houston Exchange Elects New Executive Committee

HOUSTON, TEX., Feb. 3.—The Insurance Exchange of Houston has elected as members of the executive committee: W. L. Thaxton, J. R. Young, L. A. Stevenson, Ben A. Calhoun, retiring president; Craig Belk, retiring vice-president; Leo G. Butler, B. A. Killson, A. D. Langham and Dan G. Lubbock. The committee will meet soon to name new officers.

John W. Daniel will remain as executive secretary. President Ben A. Calhoun reports a membership of 107 compared with 62 in January, 1936.

Construction Rules Broadened

RICHMOND, Feb. 3.—Amendments to the rules and regulations of the Virginia rating bureau governing standards for construction and equipment have been approved by the state corporation commission. Several minor reductions and a general broadening of the rules are effected.

Sentences Are Affirmed

A ten-year sentence was affirmed by the Tennessee supreme court on R. W. Thompson, one time deputy state fire marshal and later an independent ad-

juster in Nashville; Madison Scott and Will Allen Oakley, and the one-year sentence of Owen Nannie, who were convicted for conspiracy to commit arson. The four were convicted in Davidson county, following the burning of a dwelling in June, 1934. This building, valued at \$500, was insured for \$1,500 and the furniture for \$750.

Alabama Income Increases

MONTGOMERY, ALA., Feb. 3.—Collections of the Alabama insurance department totaled \$927,456 in 1936, according to Superintendent Julian. The peak years of 1929 and 1930 were almost reached when collections were \$1,044,585 and \$1,047,865 respectively. The department's operating expenses totaled \$24,228. There was \$12,067 collected in escaped or delinquent revenues. In 1935, the total collections of the department were \$755,436, and in 1934 they were only \$691,310.

Weatherford Exchange Incorporates

The Weatherford Insurors Exchange, Weatherford, Okla., has been incorporated by G. M. Melvern, Eugene Howe and J. O. Dickey.

The Fire Companies Adjustment Bureau office at Miami, Fla., under Manager H. E. Parker, has enlarged its office in the Security building and now occupies the eastern half of the sixth floor.



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PACIFIC COAST-AND MOUNTAIN

Revised Commission Scale Proposed by Oregon Agents

PORLAND, Feb. 3.—Members of the Oregon State Agents Association have been requested to consider a proposal calling for a revision in the present graded commission scale. The proposal calls for substituting a 20 percent flat scale. President Claude Nasburg has issued a statement to the association asking for an expression of opinion on the subject.

Change in Brokers' Rules

SAN FRANCISCO, Feb. 3.—The directors of the Insurance Brokers Exchange of San Francisco have adopted the following resolution: "That no application for associate membership be accepted from brokers who have been in the business for a period of over two years, unless there be good cause shown for any exception."

Agency Is 50 Years Old

The Downen Insurance Agency, Pullman, Wash., is celebrating a half century of existence. Founded in 1886 by E. W. Downen, the agency is now conducted by his son, Dan C. Downen. It is the oldest business organization doing business under the same name in Pullman.

Fairall on Advisory Committee

DENVER, Feb. 3.—Herbert Fairall, well known Denver local agent, former state treasurer and past president of both the Colorado and Denver Associations of Insurance Agents, has been named by the governor as a member of a special advisory committee to work

out a solution to the state's financial dilemma created by enactment of a \$45 per month old-age pension law.

Alton Heads Spokane Agents

R. H. Alton of the H. S. Gimble agency has been elected president of the Spokane (Wash.) Insurance Association. L. M. Arbord, F. S. Barrett & Co., is the new vice-president, and T. J. Meenach was re-elected secretary-treasurer. Trustees are J. J. O'Brien, R. H. Kiff and B. C. Kenney, retiring president.

Spokane Adjusters Elect

SPOKANE, WASH., Feb. 3.—The Spokane Adjusters Association at its first meeting of the new year elected officers as follows: Clarence Orndorff, president; Paul Cooney, vice-president; Leo Cashatt, secretary-treasurer.

Renew Denver "Ad" Campaign

DENVER, Feb. 3.—The Denver Association of Insurance Agents has launched its second cooperative advertising campaign, a duplicate of the first six months campaign last year which brought excellent results.

Chandler with Swett & Crawford

B. I. Chandler has been appointed special agent of the fire department of Swett & Crawford for southern California with headquarters in Los Angeles. He was formerly with the Pacific Board in Los Angeles.

Study Operation Costs

DENVER, Feb. 3.—Operation costs are being studied at a series of luncheon meetings of representatives of three

prominent local agencies: H. W. Bennett & Co., Wilson-Creek Agency and Van Schaack & Co. The purpose of the conferences is to determine what the relative operation cost should be.

Pierce to Head Junior C. of C.

D. W. Pierce, Jr., of the insurance firm of Burgwald, Pierce & Sibert, has been nominated for president of the Los Angeles Junior Chamber of Commerce. He is a son of D. W. Pierce, assistant manager of the Liverpool & London & Globe and vice-president Globe Indemnity.

New Agency in Santa Monica

A new agency has been organized in Santa Monica, Cal., by U. A. D. Collelmo and E. Smead as Collelmo &

Smead, at 130 Santa Monica boulevard. Mr. Collelmo was at one time professional heavyweight wrestling champion of the Pacific Coast. Mr. Smead has been in life insurance for several years, first with the Prudential and then with the Occidental Life.

Gray Conducts Insurance Class

George O. Gray, for many years an instructor in insurance in Los Angeles, is conducting a course in insurance at the Los Angeles high school covering all phases of insurance, including a general review for examinations for agents and brokers licenses. The class meets Mondays and Wednesdays.

The F. C. Wilson agency, Walla Walla, Wash., has been merged with the Sherwood & Roberts agency of the same city. Mr. Wilson continues with the agency.

EASTERN STATES ACTIVITIES

Working on the New Scheme

Hope to Amalgamate All the Rating Machinery in New England Under One Head

BOSTON, Feb. 4.—Consideration of the abolition of the rate making powers of the Boston Board and the formation of the "New England Fire Insurance Rating Association" to take over the business of rate making for stock companies in five New England states, New Hampshire being excepted, is rapidly approaching a crisis.

Bylaws for the proposed new rating organization have been under consideration for several months by members of the Boston Board and the Boston committee of the Eastern Underwriters Association.

Boston is the last standout in local board rating organizations in E. U. A. territory and the pressure is very strong from the companies to amalgamate the rating business in New England. On the other hand the Boston Board is one of the oldest in the country, and is very jealous of its strength and prestige.

Divisional Organizations

Divisional organizations would be maintained in Boston, covering the present Boston Board territory with the addition of the cities and towns of the metropolitan district now in New England Exchange territory; a division corresponding to that of the present New England Exchange; and a third division for Providence, R. I. There would also be regional conference committees for each of these districts, made up of local representatives. Supervision and control would be in the hands of a board of 15 officials of company members.

Opposition to the proposed plan has centered around three principal considerations: Separation of stock and mutual companies in the agencies; a possible drastic rate reduction for Boston proper and the practical elimination of the Boston Board.

Question of Separation

The Boston Board has been given assurances that the matter of separation has not entered into the matter at all from the standpoint of the company members of the E. U. A. It is pointed out that while no mutual companies will be admitted to the New England Fire Insurance Rating Association they may continue to be members of the Boston Board and that the agency mutuals would still be permitted to purchase the rates made by the new association.

As for any rate reduction in Boston territory, it is assured the Boston members that it is the expectation that the same rating schedules and methods would prevail as at present, except that "along the fringes" of the old Boston Board and New England Exchange territories, where there are marked differences, these would be adjusted. The

E. U. A. committee members do not feel that the relinquishing by the Boston Board of its rating function would eliminate the Boston Board but would rather strengthen and make more efficient all its other functions.

The E. U. A. representatives, further, see no inconsistency in having the New England Fire Insurance Rating Association handle different rating schedules as are provided for in the regional districts as a similar practice is approved in New York state and in Pennsylvania. It is also explained that all stock companies, whether members of the E. U. A. or not would be members of the new rating organization.

Stone to Give Luncheon Talk

Employers Liability General Manager Will Tell About the Massachusetts Compulsory Automobile Law

E. C. Stone, general manager of the Employers Liability group, will give the luncheon address at the annual insurance day at Pittsburgh, Feb. 13, under the auspices of the Pittsburgh Insurance Club, at which a large number of executives will be present. He will talk on "Compulsory Automobile Insurance." In view of the fact that bills are being introduced in the various states akin to that in Massachusetts, Mr. Stone's address is very timely. Sufficient time will be given to him to go over the Massachusetts situation thoroughly and to respond to inquiries. The Pittsburgh Insurance Club has been holding this annual function for the last 11 years.

At the dinner the principal speaker will be Walter B. Pitkin, psychologist and author of the famous book, "Life Begins at Forty." N. S. Rêviere of the Aetna group, will be toastmaster.

Owen B. Hunt, Pennsylvania commissioner, will address the gathering on proposed insurance legislation. Dancing will follow.

Are Arranging Study Class

Pittsburgh Organizations Will Have an Insurance Course to Prepare Applicants for an Examination

Commissioner Hunt of Pennsylvania has ruled that starting Feb. 1, no license to an agent will be issued unless he can show that he has attended a recognized insurance school for at least nine months, or has been attached to an agent's office for not less than nine months.

The Pittsburgh Insurance Club, in conjunction with the Pittsburgh Fire Insurance Agents Association, has arranged with the board of education to start an evening school at the Schenley high school to give a course on insurance leading up to the examination,

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Investigations and adjustments all over this ter-
ritory.

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1914 American Bank Building
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Trinity Universal, Sun Indemnity, Central Surety &
Insurance Corp., and many others.
Equipped for investigations, adjustments, and trial
of all cases in State and Federal Courts in Eastern
Louisiana.

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Clater W. Smith
Baltimore Trust Building
Baltimore, Maryland

MONTANA

M. J. LAMB

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Massachusetts Bonding and Insurance Co.
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Fully equipped to handle investigations, and trial
work in state and federal courts.

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31 Elm Street
Springfield, Massachusetts
Fire Companies Adjustment Bureau, Inc.
Trial of all insurance cases including casualty, fire
and surety in State and Federal Courts.

MICHIGAN

SEABORG & RICE

Attorneys and Counselors
827 Penobscot Building
Detroit, Michigan
Randolph 5160

SCHULZ and KAY

Attorneys at Law
General Insurance Litigation Workmen's Compensation
Trial Work
Technologist Service
Equipped to handle claims and investigations
David Stott Building Detroit, Michigan
Telephone Cherry 0618

NORRIS, McPHERSON, HARRINGTON & WAER

1107 Peoples Bank Building
Grand Rapids, Michigan

NASH & NASH

602 Second National Bank Building
Saginaw, Michigan
Equipped for investigations, adjustments, set-
tlement of claims and trial of insurance cases
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BALDWIN, HOLMES, MAYALL & REAVILL

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Duluth, Minnesota
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ance Co., Pacific Mutual Life Insurance Co.

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619-621 Hennessy Building
Butte, Montana

American Surety Company; New York Casualty Com-
pany; Sun Indemnity Company.
Equipped for Investigations, adjustments, trial of all
insurance cases in Butte, Helena and western
Montana.

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414 Strain Building
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Company representation upon request. Equipped for
investigations, adjustments and trial of insurance
actions in State and Federal Courts. in North &
Northwestern Montana.

MERLE C. GROENE

Lewistown, Montana

Standard Accident Company of Detroit,
All-State Insurance Company, Chicago.
Others on request.

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Massachusetts Bonding & Insurance Company—others
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Equipped for Investigations, Adjustments, Settlement
of Claims, Trial of all Insurance cases in State and
Federal Courts in Central Nebraska.

STEWART, STEWART & WHITWORTH

1412 Sharp Bldg., Lincoln, Nebraska
Trial of insurance cases in Federal and State
Courts in Nebraska.

Investigations, adjustments and settlement
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ROSEWATER, MECHAM, SHACKELFORD & STOEHR

1028-40 City National Bank Building
Omaha, Nebraska
Representing 35 Insurance Companies—
Kemper Group—Loyalty Group—Sun—Home—Liberty—
of Boston—American Surety—Security of Chicago—
Employers of Wausau—Associated Ind. and others.
Complete trial and claim service over Nebraska and
Western Iowa.

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MANN and TONKIN

605 Sunshine Building
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Metropolitan Casualty Co.; Commercial
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Trial of all insurance cases in State and Federal
Courts in the State of New Mexico.

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GEORGE J. HATT, II

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Equipped for investigations, adjustments, settlement
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and Federal courts.

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BINGHAMTON, NEW YORK

Insurance attorneys. Especially equipped to handle
investigations, adjustments and litigation over central
New York.

INSURANCE ATTORNEYS

* The insurance law firms whose professional cards are shown on this and the succeeding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

NEW YORK (Cont.)

WILCOX & VAN ALLEN

1008 Liberty Bank Building
Buffalo, New York

CLARENCE E. MELLEN

51 Maiden Lane
New York, N. Y.
Mass. Bonding & Insurance Co.
New Amsterdam Casualty Co.
United States Casualty Co.
Trial of all insurance and surety cases in State and Federal Courts. Equipped for investigations.

MELVIN & MELVIN

304-14 First Trust & Deposit Building
Syracuse, New York
Royal-Eagle-Century
Equipped for investigations, adjustments, settlements and trial of all insurance cases—State and Federal Courts.

DUNMORE, FERRIS & BURGESS

First National Bank Building
Utica, New York
Continental, Liberty, Norwalk, Fidelity & Deposit
Equipped for investigations, adjustments, settlements and trial of all insurance cases—State and Federal Courts.

NORTH CAROLINA

HARKINS, VAN WINKLE & WALTON

Jackson Building
Asheville, North Carolina
United States Fidelity & Guaranty, Hartford Accident, Home, N. Y., Sun, Glens Falls, American Auto, many others on request.
Trial of all insurance cases in State and Federal Courts.

JNO. A. MCRAE

108 Law Building
Charlotte, North Carolina
General American and others upon request.
Equipped for investigations, adjustments, trial of all insurance cases in State and Federal Courts.

E. M. STANLEY

528-29 Security Bank Building
Greensboro, North Carolina
Home, New York; Fire Company Adjustment Bureau; others on request.
Equipped for adjustments and investigations. Trial of all insurance cases—State and Federal Courts.

A. J. FLETCHER

608-10 Security Bank Bdg.
P. O. Box 1406
RALEIGH, NORTH CAROLINA
Hartford Accident, Hartford; Standard Accident, Detroit; American Auto, St. Louis. Specializing litigation and adjustments involving casualty insurance law and surety bonds. Experienced adjuster in office.

ELLEDGE & WELLS

First National Bank Building
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Trial of all insurance cases in State and Federal Courts.
Equipped for investigations.

OHIO

SIEGFRIED GEISMAR

2205-6 Carew Tower
Cincinnati, Ohio
Automobile Mutual Insurance Co. of America, Providence, R. I.; Meron Casualty Co., Cincinatti, Ohio; Lloyd's, Minneapolis; Builders & Manufacturers Mutual Casualty Co.; Employers of Wyoming and others on request.

OHIO (Cont.)

JOHN H. MCNEAL

502 Auditorium Bldg., 1367 E. 6th St.
Phone Main 1928
Attorneys-at-Law
Facilities for Investigations, Adjustments and Trial work over Northern Ohio.

SANDLER, ELLIOTT & ASHBAUGH

814 Outlook Building
Columbus, Ohio
Representing Standard Accident, Massachusetts Bonding and others. Investigations, adjustments, trial of all insurance cases.

CABLE & CABLE

Masonic Building
Lima, Ohio
Representing American Surety, Fidelity & Cas. of N. Y., General Acc. Fire & Life, Phila. Trial of all insurance cases in Federal and State Courts. Equipped for investigations.

YAGER, BEABOUT & STECHER

303 Second National Bank Building
Toledo, Ohio
American Surety Company, Phoenix Insurance Company of Hartford, Conn., and Massachusetts Bonding & Insurance Company.

RUSSELL RAMSEY

301 Feick Building
Sandusky, Ohio
Equipped for investigations, adjustments, and settlements of claims. Trial of all insurance cases. Bank reference: Western Security Bank (Counsel).

L. M. CAIOL AND J. B. CUNNINGHAM

600-603 Union National Bank Building
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Equipped for investigations, adjusting, trial of all insurance cases in State and Federal Courts.

WAITE, SCHINDEL & BAYLESS

1318-27 Union Central Life Building
Cincinnati, Ohio
Insurance Litigation, specializing in Life, Casualty and Fire—Trials in Federal and State Courts—References on request.

OREGON

HOWARD BERGMAN

Baker Loan & Trust Bldg.
Baker, Oregon
Equipped for investigations, trial of insurance cases. All State courts.

IMMEL & EVANS

First National Bank Building
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Companies represented: U. S. F. & G. Co., Royal Group, Marine, Equitable & Ins. Co., and others on request. Equipped for investigation, adjustment and trial all insurance cases. State and Federal Courts, this territory.

G. M. ROBERTS

WM. M. McALLISTER
Medford National Bank Building
Medford, Oregon
Travelers, Indemnity Ins. Co. of North America, American Motorists Ins. Co., Pacific Indemnity Co., General Accident, F. & L. Assur. Corp., Ltd. Investigations, adjustments and trial of all insurance claims in southern Oregon and Siskiyou and Del Norte Counties, Cal.

OREGON (Cont.)

COLLIER, COLLIER & BERNARD

Suite 1220 Spalding Building
Henry E. Collier
E. F. Bernard
Portland, Oregon

DEY, HAMPSON & NELSON

800 Pacific Building
Portland, Oregon
Continental Cas. Co., American Motorist, Pacific Greyhound Lines and others.

SHEPPARD & PHILLIPS

1208 Public Service Bldg.
Portland, Oregon
U. S. F. & G., Lloyds of London, others on request. Investigations & Adjustments.

SOUTH CAROLINA

ROBERT McC. FIGG, JR.

43 Broad Street
Charleston - South Carolina ..
The Travelers Insurance Company, American Surety Company of New York, Hartford Accident & Indemnity Company, New York Casualty Company. Trial of all insurance cases in State and Federal Courts. Equipped for investigations and adjustments.

THOMAS-LUMPKIN & CAIN

1000-7 Central Union Building
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Specializing in Fire, Casualty, Surety and Life. Trial of all cases. Equipped for investigations and adjustments all over South Carolina.

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BAILEY, VOORHEES, WOODS & BOTTUM

Charles O. Bailey (1868-1928)
John H. Voorhees
Theodore M. Bailey
Melvin T. Woods, Jr.
Roswell Bottum
Howell L. Fuller
Ralph S. Rice

TENNESSEE

POORE, KRAMER & TESTERMAN

302 Fidelity Bankers Trust Building
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Zurich Insurance Co., Chicago, Ill.; Preferred Accident Ins. Co., New York; Commercial Standard Ins. Co., Fort Worth, Texas; and other companies on request. Equipped for investigation, adjustments and trial of cases in all courts in Eastern Tennessee.

TEXAS

UNDERWOOD, JOHNSON, DOOLEY & HUFF

808 Amarillo Building
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Consolidated Underwriters, Commercial Standard Insurance Co., Maryland Casualty Co., Texas Employers Insurance Assn., others on request. Equipped for investigations, adjustments, trial of all insurance cases state and federal courts, Panhandle and West Texas.

PIPKN & PIPKN

304 Gilbert Building
Beaumont, Texas
The Travelers Insurance Company. Equipped for investigations and adjustments Southeastern Texas.

HUBBARD, DYER & SORRELL

City National Bank Building
Corpus Christi, Texas
References: Maryland Casualty Company, American Fidelity & Casualty Company, Traders & General Insurance Company. Specializing in Insurance Law. Equipped for Investigation and Claims.

TEXAS (Cont.)

COKE & COKE

First National Bank Building
Dallas, Texas
Henry C. Coke
1858-1933
Alexander S. Coke
Roscoe J. Coke
Richard W. Coke
Henry C. Coke, Jr.
Julian B. Martin
John N. Jackson

SANER, SANER & JACK

Twenty-ninth Floor Republic Bank Bldg.
R. E. Saner
Wm. H. Jack, Jr.
Equipped for Investigations, Adjustments, Trial of all Insurance Cases, State and Federal Court.

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15th Floor Sinclair Building
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Alfred McKnight
William A. Hanger
M. C. Martin
W. D. Smith
Samuel B. Cantley, Jr.
J. W. McDaniel
Gillis A. Johnson
B. R. Hanger
Seymour Lieberman
Standard Accident Insurance Company of Detroit, Chicago Lloyds.
United States Casualty Co. of New York City, etc. Equipped for investigation, adjustment, trial of all insurance cases and oil cases.

COLE, PATTERSON & COLE

Citizens State Bank Building
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Bennett B. Patterson
Robert L. Cole, Jr.
Edward S. Boyles
N. S. Atkinson
M. S. McCordquodale
E. F. Gibbons
Willard L. Russell
J. W. McDaniel
Harold A. Thurrow
R. E. Owens
Standard Accident Insurance Company of Detroit, Chicago Lloyds.
United States Casualty Co. of New York City, etc. Equipped for investigation, adjustment, trial of all insurance cases and oil cases.

BOYLES & ATKINSON

First National Bank Building
Houston, Texas
Edward S. Boyles
N. S. Atkinson
M. S. McCordquodale
E. F. Gibbons
Willard L. Russell

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First National Bank Building
Lubbock, Texas
Representing U. S. F. & G., F. & D., Maryland Casualty, American National Ins. Co., Amicable Life Ins. Co., and many others. Trial of all insurance cases in all courts. Equipped for investigations—Adjustments—Settlement of claims in plains Country.

BIRKHEAD, BECKMANN, STANARD & VANCE

800-811 Gunter Building
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613 Frost National Bank Building
San Antonio, Texas
Loyalty Group and others given on request. Trial of all insurance cases, State and Federal Courts this territory.

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608-9 Amicable Building
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Equipped for investigations, adjustment and settlement of claims and trial of cases in State and Federal Courts.

UTAH

STEWART, STEWART & CARTER

1105 Continental Bank Building
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Equipped for investigations, adjustments, settlements of claims and trial of all insurance cases State of Utah.

(Continued next page)

INSURANCE ATTORNEYS

The insurance law firms whose professional cards are shown on this and the preceding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

VIRGINIA

W. SHEPHERD DREWRY

241-244 Law Building
Norfolk, Virginia

Indemnity Insurance Co. of N. A., United States Fidelity and Guaranty, Bankers Indemnity Co., Fire Association of Phila., American Indemnity Co., All State Insurance Co. Equipped for investigations, adjustments and trial of all insurance matters in State and Federal Courts.

T. RUSSELL CATHER

34 Rouss Ave.

Winchester, Virginia

New York Life, Maryland Casualty, American Surety Co. Equipped for investigations, trial of all cases, State and Federal Courts and Commissions.

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Northern Life Tower
Seattle, Washington

U. S. F. & G., Northwestern Mutual Life Ins. Co. Others on request.

EGGERMAN & ROSLING

1824 Exchange Bldg.
Seattle, Wash.

United States Fid. & Guar. Co., Maryland Casualty Co., and others. Trial of all insurance cases in State and Federal Courts in western Washington.

N. A. PEARSON

483-84 Fourth & Pike Bldg.
Seattle, Wash.

Associated Indemnity Corp., and London Guarantee & Accident Co. Equipped for investigations and adjustments and trial of all insurance cases in State and Federal Courts.

ROBERTS, SKEEL AND HOLMAN

Insurance Building

John W. Roberts
E. L. Skeel
Tom W. Holman
Frank Hunter
Tyre H. Hollander
Laurence Booth, Jr.

SEATTLE

DANSON, LOWE & DANSON

Paulsen Bldg.
Spokane, Washington

Maryland Casualty Co., U. S. F. & G. Co., and others on request.

Investigations and trial of all insurance cases in state and federal court.

PEDIGO, WATSON & GOSE

218 First National Bank Bldg.
Walla Walla, Washington

American Automobile of St. Louis, Great Lakes Casualty Company of Detroit. Others on request. Equipped for investigations, adjustments, trial of all insurance cases, State and Federal Courts, South-eastern Washington.

BONSTED & NICHOSON

Miller Building
Yakima, Washington

Loyalty Group, Pacific Indemnity, & others on request. Equipped for investigation and adjustments, trial of all insurance cases in federal and state courts.

WEST VIRGINIA

PAYNE, MINOR, RAY, MAIER & DAVIS

Kanawha Valley Building
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New York Casualty, American Surety, Zurich, American Motorist, Lumbermen's Mutual Casualty Co., and others on request. Equipped for investigations and adjustments. Trial of all insurance cases in State and Federal Courts.

W. VIRGINIA (Cont.)

VINSON, THOMPSON, MEEK & SCHERR

First Huntington National Bank Building
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Hartford Indemnity, General Accident, U. S. F. & G., U. S. Guarantees (Chubb & Son), Inter-Ocean Casualty Company (General Counsel), and others on request. Investigations, adjustments and trials — State and Federal Courts.

RUSSELL, HITESHAW & ADAMS

205½ Fourth Street, (Box 510)
Parkersburg, West Virginia

Employers' Group—The Fidelity & Casualty Company of New York—Glen Falls Indemnity and others furnished on request. Equipped for investigations and adjustments. Trial of all insurance cases in State and Federal Courts.

NESBITT & NESBITT

800 Riley Law Building
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Maryland Casualty Co., Travelers, Fidelity & Deposit of Maryland. Equipped for investigation and adjustment. Trial of insurance cases in all courts.

WISCONSIN

STREHLOW & CRANSTON

510 Northern Building
Green Bay, Wisconsin

Equipped for adjustments, investigations and trial of cases.

GRELLE & SCHLÖTHAUER

105 Monona Avenue
Madison, Wisconsin

Lumbermen's Mutual Casualty Co., Zurich, Pearl Assurance Co., Ltd. Equipped for investigations and adjustments. Trial of all cases in State and Federal Courts and before commissions.

BLOODGOOD, STEBBINS & BLOODGOOD

212 W. Wisconsin Ave.,
Warner Building
Milwaukee, Wisconsin

WOLFE & HART

First Wisconsin Nat. Bank Bldg.
Milwaukee, Wisconsin

Special attention to the Law of Fire Insurance

POWELL & SPROWLS

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Superior, Wisconsin

NEW YORK CASUALTY COMPANY, AMERICAN SURETY COMPANY, MARYLAND CASUALTY COMPANY—others on request.

Equipped for investigations and adjustments and trial of all insurance cases.

WYOMING

JAMES A. GREENWOOD

Majestic Building
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Former Attorney General, State of Wyoming. Trial of all insurance cases in State and Federal Courts.

Lonabaugh & Lonabaugh

172 North Main Street
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American Surety Company; New Amsterdam Casualty Co.; Continental Casualty Co.; Zurich Insurance Company; Employers' Group. Equipped for investigations—Trial of all insurance cases in Northern Wyoming.

starting Feb. 16. Secretary E. R. Hardy of the Insurance Institute of America, visited Pittsburgh last week and with a committee of agents headed by J. W. Henry and W. M. Reid, conferred with Assistant Superintendent of Schools Foster and a course of study was outlined. It is expected that insurance men of ability will contribute their services as instructors. The course will cover fire and casualty insurance and surety bonds.

Extend Fall River Cover

FALL RIVER, MASS., Feb. 3.—Mayor Murray has extended the municipal fire insurance coverage of the city, written by the Federal Hardware & Implement mutuals, to include \$600,000 additional coverage on industrial properties taken over by the city for unpaid taxes, with the original contract with the company renewed.

Rochester Board Courses

The Underwriters Board of Rochester, N. Y., which has inaugurated a course in general insurance, has an enrollment of 48, of whom 35 are employees and solicitors from member offices. The course is one designed to be helpful to policywriters, office employees, and outside solicitors of agencies, as well as those who have had some elementary training.

The program of the 16 sessions includes: History and principles, types of companies; the standard fire policy; fire forms and endorsements; supplemental

contract, sprinkler leakage, water damage and use and occupancy; fire rating, fire loss adjustments, proof of loss; inland marine lines, miscellaneous mercantile and personal floaters; principles of liability and indemnity, negligence; owners, landlords and tenants and manufacturers' and contractors' liability; elevator, contractual, contingent and miscellaneous liability; workmen's compensation, rating, manual rules and underwriting; automobile liability, policy forms and rating; automobile fire, theft, collision and miscellaneous lines; boiler and plate glass, residence burglary; safe burglary, open stock, inside and outside holdup and miscellaneous burglary and robbery fidelity and surety bonds.

Eastern Notes

D. A. Lamoureux, as president and general manager, and L. J. Mansau as treasurer, have acquired control of the L. F. Loiselle agency, Manchester, N. H.

The E. P. Curtis Insurance Agency, Bridgeport, Conn., has been incorporated with Mr. Curtis as president and treasurer; Ruth B. Curtis, vice-president, and Sally B. Curtis, secretary.

F. E. Pratt and W. A. Malone, for a number of years with the Bridgeport Land & Title Co., Bridgeport, Conn., have formed the Malone & Pratt Realty Co., which will carry on a general real estate and insurance business with offices at 979 Main street.

CANADIAN

See Canadian Rate Changes

Dominion Losses Rise; Revision Is Expected Soon in Fire and Automobile Policy Costs

While the fire business in Canada in 1936 showed considerable improvement, a general revision of fire and automobile rates in the dominion is predicted. Business volume increased because of rapid growth of Canadian mining industry and improvement in pulp and paper, lumber and heavy metal activities. Coverage, though, has been written at a lower average rate, an estimated 68 cents per \$100 for 1936, as contrasted to 70 cents per \$100 for 1935.

Fire Losses Gain

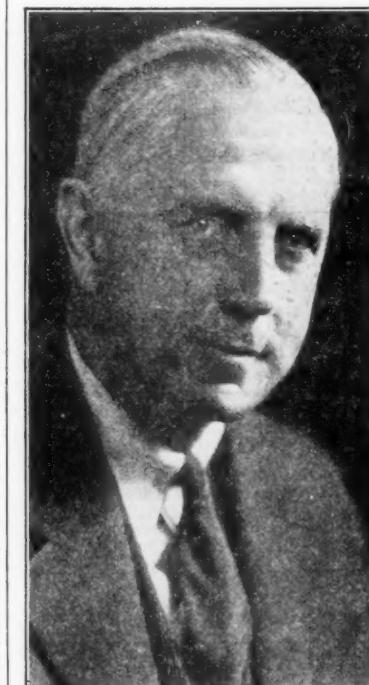
The Canadian Underwriters Association is expected to make changes in its jurisdiction, which determines rates for Ontario and Quebec. In this territory fire rates will be lowered somewhat and automobile rates increased. The new rates will be introduced in about six weeks and will bring about a reduction in some cases as high as 25 percent, while increases in classes with unsatisfactory experience are also expected.

The general decrease in rates during the past few years has been due to superior construction of new buildings and installation of sprinkler systems and improvement of fire fighting equipment in relation to older structures.

Fire losses in the dominion during the past year showed a substantial gain as compared to 1935, while estimated value of property destroyed by fire is over \$500,000 greater than the previous year. Insurance property losses are also expected to show a substantial increase, the average ratio for all companies being between 40 and 45 percent. Expenses have gained, due to increased taxes and license fees, now totaling 5 percent of premiums written and higher acquisition cost.

240 Companies in Dominion

There are about 240 companies writing fire business in Canada under dominion licenses, with a total premium



FRANK W. BRODIE

BOSTON, Feb. 3.—Frank W. Brodie, of the Root & Boyd agency, Waterbury, Conn., national councillor of the Connecticut Association of Insurance Agents, was elected chairman of the New England Advisory Board of the New England Association of Insurance Agents at the annual meeting in Boston. He succeeds Fred R. Smith, Haverhill, Mass. Warren S. Shaw, Brockton, Mass., was continued as secretary-treasurer.

It was voted to hold the annual summer convention of the New England Associations at the Mount Washington hotel, Bretton Woods, N. H., July 1-3. Matters of general interest were discussed by the 17 delegates present from the six New England state associations, all states being represented.

GET new business • RENEW old business • DISARM competition

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income of slightly less than \$42,000,000. In some quarters it is felt competition is too intense, due to the large proportion of companies for the small population of the dominion.

Due to unsatisfactory underwriting experience in automobile business by the Canadian companies, a considerable increase in rates is expected next spring. Some companies write only selected risks and others have retired from the business altogether. The rate increase will probably take effect in April or shortly thereafter.

Form New Winnipeg Group

Graduate Society Organized; Many Leaders in the Canadian Business Attend Inaugural Dinner

Fifty-seven graduates of the Insurance Institute of Winnipeg gathered at dinner to inaugurate formation of the Graduates Society of the Institute. Officers elected are:

Honorary president, C. McE. Nicholls, Prudential Assurance; president, R. P. Simpson, Sun; vice-presidents, D. B. Murray, Canadian Pool Agencies, and Miss P. Grant, Bingham & Bingham; secretary-treasurer, R. K. Jordan, Western Canada Insurance Underwriters Association; executive committee, Miss E. Brookes, Western Canada Insurance Underwriters Association; Rod Philp, Prudential Assurance, and J. L. Wallace, Union of Canton.

Joining the graduates at the inaugural dinner was a large representation of insurance executives. Chairman Simpson outlined briefly the history of the society since the initial meeting early in December. He pointed out the desire among the graduates that existed for increasing their knowledge of fundamentals.

Honorary President Nicholls, also president of the Winnipeg institute, congratulated the society on its inception, and voiced the wholehearted support of

the institute which earlier made a substantial grant to the funds of the new group.

Mr. Murray, vice-president of the society, introduced the guest speaker, J. A. Dowler, secretary Canadian Fire, and president of the Western Canada Insurance Underwriters Association. He offered a thorough outline of subjects which might be considered for discussion and study and also expressed the desire that students themselves do their own research work, rather than rely too much on the more experienced men. Western Canada presents its own particular problems, particularly as an example of territory in isolation, thereby dwarfing somewhat opportunity of big business. However, it has the advantage of giving employees a good general knowledge of all branches of the business rather than specialized knowledge of one department. Particularly, he cited benefits of developing public speaking groups and compilation of a history of the business in western Canada.

The program of the graduates will include study and discussion groups, a debating club, with occasional social events. Meetings have been arranged for two Mondays in each month.

E. R. Liversidge Dies

E. R. Liversidge, stamping officer in Ontario for the Canadian Underwriters Association, died as a result of injuries suffered in a fall a few weeks previously. He was wielder of the Ontario Blue Goose. He started with the Royal in England and later went to Canada for that company. He became chief stamping officer of the Canadian Fire Underwriters Association in 1931.

Merchants Casualty Sale Approved

TORONTO, Feb. 3.—Sale of the Merchants Casualty of Waterloo, Ont., to the Economical Mutual Fire of Kitchener, Ont., as recently proposed by directors, was formally approved by the shareholders of the former.

Mr. Melville has devoted his entire business life to inland marine insurance. After seven years in the inland marine department in the home office of the North America, he was transferred to its western department in Chicago, where for 13 years he traveled 18 western states in the interests of marine production, later being given charge of underwriting for that territory. While in Chicago, he taught marine insurance for two years at Northwestern University. From 1932 to 1936 he traveled the entire country, supervising the inland marine service offices in the principal premium centers throughout the country. Since April, 1936, Mr. Melville has been in charge of ocean marine underwriting for the North America for its western department, Canada, Cuba and Puerto Rico, and in charge of production for the entire United States and Canada.

Chester Heads Marine Board

Albert Ullmann retired as president of the Board of Underwriters of New York at the annual meeting and was succeeded by H. T. Chester. Vice-president is S. D. McComb, secretary, W. D. Winter and treasurer, F. B. McBride.

Directors elected are: D. F. Cox, J. S. Gilbertson, Mr. Ullmann and A. B. Grant.

Purcell with Aetna Fire

J. F. Purcell has been made assistant manager in Aetna Fire's New York City marine department. He had previously been with the North America since 1911, except during the war.

To Restrict Truck Licenses

LINCOLN, NEB., Feb. 3.—The newly reorganized Nebraska State Railway Commission has discontinued all hearings on applications of truckers for certificates of convenience and necessity, after issuing approximately 5,000 of them, and has asked the legislature to enact a law that will refuse registration and license to all truck owners who cannot produce such certificates. Insurance policies issued on certified truckers remain in force, but commissioners say that half of the trucks are operating without certificates or insurance and the commission has no funds to enforce compliance with orders to secure permits.

Progress Urged at Coast Gathering

(CONTINUED FROM PAGE 5)

whether the people in the business are studying new forms and getting this business.

"I believe more insurance salesmen stay in the \$1,000 class because they really don't know all the answers, than ever stayed there because of lack of opportunity," he said. "Opportunities have to be made—they don't just happen." He urged that insurance men think out a better way to interest their prospects. Insurance is being sold everywhere; new business, new kinds of coverage, new ideas. He warned that it is better to "modernize and go forward, than to mobilize defensively and go backward."

Uses Only Stock Companies

He said that Safeway uses old line organization stock companies for its fire insurance needs because it believes few insurance bargains can be safely offered when dealing with percentages and experience tables. It asks carriers when circumstances permit to allocate any over-riding commissions to their agents who are local to the insured item. "We have no desire to neglect any local agents and we feel sure that most local agents are fair-minded enough to understand why we deal with insurance brokers for our coverage and needs in so many states. We carry some 50 different kinds of coverages throughout our territorial divisions. It would be impossible to parcel this out directly to

many hundreds of agents in hundreds of towns and cities without endless misunderstanding, unavoidable delays and unbearable useless expense."

F. S. Dauwalter, director Business Development Office, New York, told of meeting with the head of a large industry in Columbus, O., in discussing the need for proper service by local agents and proper analysis of financial statements. His subject was "The Policyholder's Viewpoint." "It is our obligation, as representatives of the fire insurance industry, to bring the need for a careful consideration of the element of security to the attention of property-owners," he said. "This duty is paramount to all others. Having done this, let us then appraise carefully and conscientiously the hazards to which the property of our clients is subject and endeavor to provide a program of insurance that will protect them adequately against loss; bearing always in mind that this should be accomplished at a minimum of cost consistent with sound security."

A. M. Brown, of the Edward Brown & Sons general agency, San Francisco, talked on "Underwriting in the Orient." He said to an occidental underwriter successful underwriting of business in Chinese cities, except in portions occupied and built up by foreigners, appears to be an impossibility due to what is apparently a violation of all preconceived ideas as to building construction, lack of water supplies and fire prevention, streets so narrow as to prevent any possibility of fire breaks. Yet he said, except during a period when incendiarism is rampant, the business is quite profitable. In certain cities merchants must present inventories to police before applying for insurance, the amount being set by police and policies approved.

Arson Capital Offense

In former years there was little arson, except possibly in bad years, but recently arson spread in certain sections and in 1927 it was made an offense calling for decapitation. Rates appear very low. Rates for foreigners are net, but those for Chinese, are the subject of much bartering. However, the business is simplified, being limited to one year coverage, with no question as to differentiation in rates on account of co-insurance carried, etc. The simplicity of rules, regulations and rates has successfully stood a test of more than 50 years.

The necessity for securing prompt and full evidence on losses was stressed by F. G. Clarke, attorney for companies at Seattle. He said too often an attorney

MARINE INSURANCE NEWS

World Famous Jewel Covered

St. Paul F. & M. Underwrites Jonker 726-Carat Diamond After Purchase in London

NEW YORK, Feb. 3.—The Jonker diamond, from the time that it was purchased in London by Harry Winston of New York City until the present, when it has been cut into 12 stones valued at more than \$2,000,000, has been covered by a single all-risks policy written by the St. Paul Fire & Marine through its New York manager, W. F. Boylan, and the brokerage office of Charles Weingartner Co.

The stone was the size of a hen's egg and weighed 726 carats. The company issued its policy against all and every risk involving transits, exhibitions, and while on the premises of the owner and also the cutter, Lazarre Kaplan.

Important Writer of Line

The St. Paul was among the first American companies to issue a jeweler's block policy, following the change in the New York law permitting this coverage, and has been foremost in writing the line since 1925, issuing policies covering some of the world's finest jewels. Since purchase of the diamond by Mr. Winston it has been solely under American handling. It was brought from London as first class registered mail on the "President Roosevelt."

Arriving in New York, the gem was first sent to the appraisers' store, and then, under direction of the insurance company, was picked up by an armored car and delivered to Mr. Winston at his office in Radio City. Still later the same day it was transferred to the Mu-

seum of Natural History where pictures were taken and the diamond then returned to its owner. Cutting and polishing was completed Dec. 18.

Oliver Marine Manager of Dubuque F. & M. in Chicago

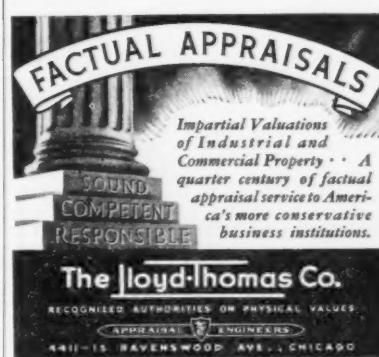
Paul W. Oliver has been appointed marine department manager by the Dubuque F. & M. in Chicago, succeeding C. R. Kealey. Mr. Kealey, recently named to that post, resigned to enter the local agency business at Deming, N. M., with Sherman & Sherman.

Mr. Oliver has had several year's insurance experience, all in the marine end, starting with the Marine Office of America. He went through the marine school conducted by that office and then traveled in Westchester county, N. Y., for a time. Later he was assigned to the New Orleans office for a year, and then went to Hartford with the Dubuque F. & M. and Buffalo. Since March, 1935, he has been in charge of the Chicago service office of the companies. In his new office, A-2005 Insurance Exchange, he is associated with T. M. Hogan, state agent Dubuque F. & M.

Melville Joins American, Creates Marine Department

H. W. Melville has joined the American of Newark to create and supervise a marine department at its home office. He was formerly superintendent of the inland marine department of the North America. The Marine Office of America will continue as marine agent of the American.

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for companies has a complaint handed to him, upon investigation, discovers valuable evidence is missing. Because of lapse of time or cleaning up of ruins, evidence may not be available. He placed the blame for this condition largely on insurance companies. A good adjuster, he said, can spot a dishonest assured quickly, and proceeds to secure evidence to prepare for the fraudulent claim which he believes will be forthcoming. However, this costs money, adding materially to cost of adjustment. He held these is nothing that pays dividends like preparing for the dishonest assured who is going to make an extravagant claim.

Advice on Lawsuits

He warned of the necessity of having the adjuster's testimony corroborated by other disinterested witnesses in a lawsuit; the adjuster's testimony alone is virtually worthless, as he is deemed simply the paid agent of the company.

He stressed the value of examination under oath at an early stage of the adjustment, which would often give a record of assured's statements valuable either in settlement of loss or in litigation. The appraisal clause presents interesting problems. In the Pacific Northwest companies have refused to go into appraisals on large losses even though the appraisal has been demanded by assured.

Broad Coverage Criticized

Carl N. Homer, manager fire insurance department Swett & Crawford, San Francisco, criticised the writing of what are essentially liability coverages by the fire companies through their marine departments and insisted that their field should be limited to property losses only. He laid the increase in underwriters agencies to efforts looking toward agency limitation.

Commissioner E. A. Smith, Jr., of Utah reviewed the work of the insurance commissioner and some of the problems that he has to face.

Stebbins in Address

Assuring that there is no desire by the American Association of Insurance General Agents to antagonize or injure direct reporting companies as has sometimes been suggested by those not familiar with the true purposes, H. C. Stebbins, of Cobb & Stebbins, general agents, Denver, spoke on formation, aims and purposes of the association. He decried use of the term "general agent" by casualty and surety companies, pointing out that association members have hoped these companies would agree to designate their top commission local agents by some other title. The association includes probably 95 percent of strictly supervising general agencies in the country, he said.

Formula for Success

Through the expenditure of more time, effort and money anyone in the insurance business may definitely provide for one's future success in the insurance business, declared R. L. Ellis, assistant secretary Fireman's Fund, in discussing "Insuring Your Future." A very small percentage of those in the insurance business become outstandingly successful, he said. "The success or achievement of those who reach the top is not a matter of chance or circumstance, but rather a result of a willingness to pay the premium, the price in extra time and effort. There isn't much difference in the inherent ability of the average human being at the start. The difference at the finish is due to the development of ability by training, study and application," he said.

He urged analysis of insurance leaders, pointing out that they became out-

standing because of their ability and application, stressing particularly however that all such leaders are salesmen. "Unfortunately," he said, "the business of fire insurance has paid very little attention to the subject of salesmanship as such." To be a successful salesman, "you must understand your business; understand yourself; understand other people; and work intelligently," he declared.

Conflagration Precautions

Elmer W. Bonstin, vice-president Pacific National Fire, gave a comprehensive discussion of "Lessons Learned from Great Fires." He urged: "(1) Change in the city's structure by elimination of further buildings of the type that furnish fuel. (2) Widening the streets to form the fronts along which a stand can be made against the advance of the flames. (3) Outlaw the wood shingle which is and has always been the means of the spread of fire and the vehicle of its leap across the open spaces which might otherwise have stopped it."

The F. U. A. P's new executive committee set-up is scheduled to include: Mr. Simpson, immediate past president; President Lichtenstein; Vice-president Woolley; Secretary-treasurer Mariner; Walter Van Orden, Pacific Factory Association; H. F. Mills, Aetna Fire; T. H. Anderson, retired; Wallace Kelly, Seaboard; H. J. Boyle, Fire Companies Adjustment Bureau; C. N. Homer, Swett & Crawford; and R. L. Ellis, Fireman's Fund. Elected to the educational committee, in addition to Mr. Van Orden, chairman, are: W. G. Rich, Liverpool-Royal group; Elmer Bonstin, Pacific National Fire, and Gordon Arter, Fireman's Fund. Mr. Arter represents associate members on the committee.

Confer Life Memberships

As the result of 25 years of active membership in the association, the following were made life members: A. J. Chapman, Chapman & Co., San Francisco; Clifford Conly, manager Great American-Phoenix group, San Francisco; H. M. Dinsmore, general agent Millers National, San Francisco; L. H. Earle, assistant secretary Pacific Board, Los Angeles; C. S. Myrick (retired), Royal-Liverpool group, Oakland; P. A. Normand, assistant manager Home of New York, San Francisco; F. E. Partridge, independent adjuster, Spokane, and G. E. Townsend, assistant vice-president Fireman's Fund, San Francisco.

President Simpson reported membership of 557, of which 440 are active members, 26 honorary and 91 life members.

Special tribute was paid to Mrs. J. P. Moore, librarian emeritus, who was in active service for many years.

Banquet Nears High Mark

With more than 500 in attendance the annual banquet which closed the two-day meeting reached "pre-depression" levels in attendance and entertainment. The speakers table was crowded with city and state officials, including the insurance commissioners of a number of the western states.

A feature of the banquet was revival of the famous "knapsack," which was originated in 1879 but which has not been on the program of the association banquet since the meeting of 1924. A compendium of humor about the business and those in it, the "Knapsack" was prepared this year by a committee consisting of C. L. Barsotti, Fire Association; Ed. C. Fox, Cravens, Dargan & Fox; and William Deans of Selbach & Deans.

Ernest Lloyd Harris, Ph.D., prominent in the United States consular service for more than 40 years, spoke.

The committee in charge of the banquet consisted of: W. F. Fotheringham, Aetna; L. S. Gregory, Fireman's Fund; and Walter Van Orden, Pacific Factory Association.

More than 400 members of the San Francisco Blue Goose, their ladies and friends, gathered for a formal dinner dance. Special entertainment, including the "Haywire Orkestrree" and the pond's

glee club augmented the cabaret's usual floor show.

Members of the committee in charge included: J. H. Martin, Standard Forms Bureau; C. K. Drew, "Western Underwriter"; G. C. Macdonald, Insurance Field; J. H. Todd, H. B. McGuire, Home of N. Y.; Walter Van Orden, Pacific Factory Insurance Association; F. L. Ingersoll, W. E. Schoppe, National Automobile Underwriters Association & Theft Bureau; S. L. McPherson, most loyal gander; Harrison Houseworth, welder, and C. L. Myrick and Neil Greene of the Oakland puddle.

Report Walgreen Had Flood Cover in Failed Reciprocal

(CONTINUED FROM PAGE 6)

the possibilities of the case being reversed later on this point in the court of appeals. Mr. O'Malley estimates it will take approximately a year to hear the extensive testimony in the receivership proceedings and to wind up the affairs of the Manufacturing Lumbermen's, so that precautions should be taken which will not necessitate the retracing of the court procedure. "The superintendent does not desire to prosecute the case to its conclusion and then liquidate the exchange, and meanwhile to administer its affairs based upon orders of court authorizing his acts, only to be confronted with certain and sure reversal, invalidating all such judgments and orders, once the case reaches the court of appeal."

Mr. O'Malley urged the shortening of time for filing of the brief by Rankin-Benedict from 30 to 10 days and by Judge Bird from five to three.

Mr. O'Malley stated that the examination by the Missouri, Oklahoma, Iowa and Illinois insurance departments disclosed that the exchange was in an "extremely hazardous condition." This examination, which has not yet been officially filed, shows "that on its operations during the first 10 months of 1936 alone, it (the exchange) had lost \$1,048,559. The examination further disclosed that the chief cause of this tremendous loss was that the premiums received by the exchange on the general business, after the reduction of the 20 percent commission to Rankin-Benedict, were wholly inadequate to pay the losses incident to such business."

Mr. O'Malley pointed out that the exchange had about 30,000 policyholders for \$390,000,000 total coverage. The assets totaled about \$1,700,000.

Superintendent O'Malley said that large additional losses recently occurred in the Ohio river valley against which the exchange carried substantial coverage, and that it is now unlikely the reinsurance could be effected even if it were possible to obtain necessary court approval.

He concluded: "It appears to me that, after the mandamus has been decided by the supreme court, the exchange will have to be liquidated, and preferences asserted by certain subscribers of the exchange decided by the court in liquidation proceedings."

\$2,000,000 Waits on Walker Case Jury

(CONTINUED FROM PAGE 3)

When one juror was unable to appear the case was adjourned for a day, with the understanding that it would proceed Tuesday whether he was able to be on hand or not. Before the adjournment the lawyers argued, sometimes sharply, on what exhibits should be allowed in the jury room. The defense objected to the policies, because everything bearing on the case was admitted, and to the proofs of loss, because affidavits were attached to them that the defense considered objectionable. All models were excluded by agreement.

The suit originally was against 13

companies. The Western Factory covered the building through a binder against fire and inherent explosion, the National of Hartford being the issuing company. Contents were covered by 11 I. U. B. companies on the same hazards. The North America covered \$1,000,000 on riot and explosion, except inherent explosion, which was specifically excluded. At the close of the plaintiff's evidence the North American won a directed verdict because no evidence of an explosion not inherent had been offered. The two inconsistent claims had been joined in one suit.

The companies on fire and inherent explosion denied liability under the fallen building clause. Frantic efforts were made during the day and evening before the loss to prevent a collapse because it had been found that certain vertical posts in the racking structure were out of plumb. Men at work shoving up the west end ran for their lives at the warning shouted before there was any sign of fire. One man who was on a ladder was unable to get away and lost his life. When those who ran turned around the ruins were in flames.

Question of Explosion

The plaintiffs introduced much testimony from witnesses at a distance whose attention was drawn by a noise and who then saw and heard an "explosion." The quick fire and complete destruction of building and contents are admitted. The plaintiffs claimed leaking whisky barrels created an explosive mixture inside the building. The defense claimed the "explosion" heard by so many witnesses was the noise of the fall of 80,000 barrels and of the building and racks. Their explanation of the quick fire is the breaking of whisky barrels during the collapse and ignition of the alcohol by sparks or fire generated by the collapse.

The "timing" is so close that the plaintiff must place the explosion between the moment the workmen started to run for their lives and a few seconds later when they turned around and saw the ruins in flames, a marvelous coincidence. The jury must accept this view to find for the plaintiff, since it is not denied the men started to run before the catastrophe.

Iowa Fire Loss in 1936

Nearly Double Year Before

DES MOINES, Feb. 3.—Iowa fire loss in 1936, amounting to \$6,206,233, was nearly double the state loss from fires in 1935, the annual report of State Fire Marshall Pyle shows. The report says 85 percent of the loss was due to carelessness, although the 1936 drought had some bearing on the high total. Per capita loss was \$2.51, or the largest since 1932 when the fire loss total was \$6,626,965.

Farm fires were responsible for \$2,464,690 of the 1936 loss, with the heaviest losses in July and August. In the two summer months the loss was \$2,300,372, or more than two-thirds of the entire 1935 loss.

The principal urban losses were Des Moines with \$308,862; Cedar Rapids, with \$84,209, and Council Bluffs, with \$72,732.

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Flood Leaves Many Insurance Problems

(CONTINUED FROM PAGE 3)

that he uses must be seasoned two years. His supply was soaked in the flood and presumably this must wait another two years before being turned into potential home runs.

It will be some time before the real damage of the flood can be measured.

LOSS ESTIMATES UP

Report of losses in the Cincinnati fire during the flood that were received by the Western Adjustment in Chicago Tuesday of this week indicate that the loss will be considerably more than appeared from the reports a week ago.

The loss to the buildings of the Crosley Radio Corporation is larger than was reported a week ago. It is now estimated that plant No. 1, which together with its contents was completely destroyed, will amount to \$650,000 and that there will be loss of about \$50,000 to the main plant of Crosley. The Crosley line was insured in the Western Factory.

What may prove to be a troublesome claim was that presented by the Princess Garment Company. This also was insured in the Western Factory. There have been some contradictory stories regarding this situation. According to one version, the manager of the Princess Garment Company was engaged in removing stocks of merchandise to higher levels when members of the fire department entered the premises for some reason. According to this story, the manager thereupon ceased his efforts to get his merchandise above the water level, abandoned the plant to the fire department and subsequently presented a claim. It is not clear whether the claim is on account of water damage or fire. That claim is in the amount of \$100,000.

The fire started on the west side of Spring Grove avenue, north of Marquis avenue. It spread rapidly over the oil covered water to the various buildings involved.

The Baltimore & Ohio roundhouse was totally destroyed. This was insured in the Railroad Insurance Association.

Various dwellings were totally destroyed, the aggregate loss being estimated at \$40,000. Loss of about \$5,000 was suffered by the building of the E. A. Kinsley Company. Heavy loss was suffered by the Cincinnati Iron Fence Company and the Triumph Manufacturing Company. Both of these risks are insured in mutuals.

Standard Oil Loss

The properties of the Standard Oil Company were totally destroyed. Standard Oil is a self insurer but there are reports that there is an excess contract under which London Lloyds must pay loss above \$100,000.

The Oberhelman Ritter Foundry Company suffered damage. This was insured in the factory mutuals. Various manufacturers in Cincinnati had patterns in this foundry and the loss thereon, which is covered by stock insurance, may run as high as \$50,000.

Loss to the IKO Products Company is estimated at \$9,000 and to the Aluminum Industries at about \$35,000.

A good many Woolworth stores were reached by the flood. Just how many are involved is not generally known. These stores are covered under a flood insurance policy issued by the Home, North America, Continental and Aetna Fire. These companies assumed the liability, after the Globe & Rutgers Fire was placed in rehabilitation. The contract was originally written by the Globe & Rutgers. It has been a very costly contract. Heavy losses were paid in the floods in the eastern sections of the city last spring and there have been many incidental losses, due to flooded

basements where there was no general flood.

The Kress stores are insured against flood insurance in the Pearl. A few of these stores are involved.

The fire in Cincinnati involved buildings in an area of about three or four square miles. Gasoline tanks in the flooded area had released some 50,000 gallons of ethyl gas which floated on the water two or three days before a falling electric wire ignited it. The fire flashed over the water and involved buildings in an area of about three or four square miles.

Firemen could not work from the water side in boats—back pressure of nozzle would whip the boats around. They were forced to work from a bluff alongside the involved Crosley building, and from the roof of the building itself. In other words, one group was trying to hold the fire in the Crosley building, while another was on the roof, throwing water on burning buildings and gasoline tanks beyond.

The fire department drew water from the flood to conserve the threatened water supply. All during the fire, there was some gasoline present on the water, but fortunately it did not light up again. An incongruous situation was the fact that those watching the fire as far as 150 feet from the flames were warned against smoking, although the flames from the fire were leaping more than 100 feet.

The buildings of the Crosley plant that were destroyed were known as units K and L. This was the portion of the plant used for the manufacture of refrigerators.

AUTOMOBILE LOSSES

Insurance people have been interested, ever since the commencement of the flood, to get an estimate of the possible number of automobiles that were submerged or were otherwise damaged by the flood waters. In view of the widespread sale of the comprehensive property damage policy, the anticipation is that there will be many automobile flood losses. The General Exchange, which insures the cars financed by General Motors Acceptance Corporation, and issues an additional coverage policy that would take care of flood losses, advertised to their insured in the affected cities, urging those whose cars were damaged to report the losses just as soon as possible. The insurers are anxious to have these reports, so they can take whatever steps are possible to prevent further damage to and deterioration of the cars.

In Louisville, the insurance companies believe that the garages and repair shops will not be able to take care of the reconditioning of damaged cars and possibly such automobiles will be loaded on flat cars and transported to other places such as Indianapolis, St. Louis, etc., where service can be had. Perhaps the manufacturers may arrange facilities for reconditioning their make of cars.

Seemingly, it is impossible at present to make any sort of an estimate as to the number of automobiles that are submerged in Louisville, Evansville, Paducah, Portsmouth and other places. One Louisville agent, who left the city Wednesday and went to Chicago, estimated that 30,000 automobiles are submerged in Louisville. An estimate that high is pretty generally discounted. One of the Louisville field men who went to Chicago said that there are "thousands" of cars submerged. An experienced adjuster ventures the opinion that not more than 10,000 cars will be found to have been submerged in all of the cities combined.

The waters rose so rapidly in some of these cities that people would find in the morning, for instance, that they

were not able to get out by automobile. The Western Adjustment consulted its files on the cost of putting into condition cars that had been submerged and found that it ran about \$300. Of course various factors might occur to make the cost either greater or less.

The reinsurance companies are much interested in the automobile losses in the flood because most of them have issued contracts covering loss and damage to automobiles in a single instance in excess of a certain amount. In a good many of these policies, the direct writing company pays only the first \$5,000 or \$10,000 or \$15,000 of the loss. The reinsurer must pay the rest. A very few contracts are issued on the basis of the direct company paying only \$2,500 of the loss, with a two-car warranty.

GRANT CONCESSIONS

As far as could be ascertained all companies have been responding to the requests of agents to extend coverage to insured property that was moved from locations, menaced by the flood. Most of the companies acted in response to requests. The Western Factory extended the coverage to such property for 15 days. The National Union sent out a written communication to agents, announcing that this concession was being made.

The Western Factory made this statement:

"We accept notice on business written through this association of unavoidable sprinkler impairments due to flood conditions and will follow necessary transfer of movable property for 15 days with the understanding values in new locations will be furnished this office as promptly as possible."

Practically all of the companies agreed to cover personal property in all flooded areas that has been moved on account of flood conditions, with instructions to agents that the new locations be reported as soon as possible.

The companies were also responding to requests to issue blanket binders for agents or to rewrite renewals for the account of the agents in the company office.

The National Union Fire got out a special bulletin to agents, announcing that it was offering these concessions: "Our own city having experienced a similar misfortune just a little less than a year ago," the bulletin stated, "we can and do understand the loss and distress to which you and your fellow citizens in affected areas are subject, and we most sincerely express to you and to them our deepest sympathy."

Some observers perceive new hazards in connection with the widespread removal of property. There is likely to be a congestion of property that has been moved out at new locations, with makeshift warehouse facilities. A good deal of the property that is being moved may be combustible. Many merchants in Louisville moved their stocks to the Louisville Public Warehouse Company. The sprinkler system of that warehouse company was put out of commission on account of the flood. This warehouse has been used mainly for the storage of whisky.

In response to a request of agents, the companies have been extending renewals, usually for one month. The Kentucky Audit Bureau was submerged and no policies have been coming through from that source. Furthermore the mails have been delayed and very few dailies have been coming through.

One of the agents in Evansville, Ind., issued a blanket endorsement on behalf of "John Doe and others" on a standard binder form covering "household goods at any location temporarily during the

existing crisis." The companies in that agency were asked to assent to the issuance of such a contract. All of them assented. This put in written form the agreement of companies to cover property for 30 days away from the location specified in the contract, where household goods were moved due to the flood conditions.

WOMAN AGENT'S STORY

Mrs. Emma Mertz of the Mertz & Mertz agency of Mound City, Ill., is one of the refugees from her home city. She is staying at St. Louis, waiting for the flood waters to subside. In a letter from her from St. Louis last Saturday to one of her companies, she wrote:

"Well, here is the old refugee, but I stayed with her till the last."

"I had been sick for two weeks and had not been to the office, but no one gave the river a second thought until Saturday. Then Sunday they began to get scared and some women and children left town. The streets were a sight with ice and snow and had melted just enough to be mushy. It took rubber boots to get out. A friend came up and told me how things were and that they were taking a room at the hotel. I told them to get me one, too, which he did. I got out Monday morning, went to the office, got my renewals together, sent them to the hotel, then home to get some clothes together. That is all I saved. Everything is sitting in the house with about 15 feet of water over it."

"I carried my records to the third story of the hotel, so guess they will be all right."

"There is nothing I can do except sit and wait until the water goes down. I have a good many policies for February but no one is afraid of fire with everything under water and maybe household goods ruined."

"I never expected to be a refugee but we never know. We have had an awful experience and I haven't good sense yet. They gave up fighting the water at 12:30. I left at 3:30 and the town was full of water by 5:00. The Mertz's were among the first in the town, also among the last to leave."

SEES EXAGGERATION

Interest is taken in the observation of the National City Bank of New York in its current monthly business review that the interruption of business activities due to the flood will be brief. Reference is made to the rebound following the widespread floods in March of last year.

Because floods are spectacular, according to the review, early estimates of the damage usually prove to be exaggerated. Through relief contributions, insurance, use of corporate reserve funds and recourse to borrowing, losses of wealth due to natural calamities are spread out and part of the cost carried over to the future, to make them less burdensome on the immediate situation. "Meanwhile the work of reconstruction is to be done, and probably this is where the emphasis belongs for the early future."

W. U. A. BULLETIN

In a communication to the presidents of the field clubs in Indiana, Kentucky, Missouri, Ohio and Tennessee, Charles F. Thomas, manager Western Underwriters Association, urged all representatives of stock companies in those states to offer their services and engineering facilities to local authorities charged with restoring normal life in

flooded areas as the flood waters subside.

"The avoidance of possible fires in properties that have been subject to flood damage is of paramount importance," said Mr. Thomas. "Extreme care should be exercised in the use of candles, ordinary lamps and improvised heating units.

"Electric current should not be used where wiring and electric equipment have been submerged by the flood waters until no uncertainty exists that the equipment is thoroughly dried and in proper condition. Fire prevention at this time will minimize the possibilities of a worse catastrophe than flood and proper precautions should save additional loss of life and property," he said.

"These suggestions are offered in the full knowledge that many of you have already acted in this matter but we want all field men and engineers to know that it is the wish of our companies that our specially trained personnel and engineering facilities be made available and every possible service rendered to the affected communities in this emergency as heretofore."

NATIONAL BOARD

The National Board has had men in Cincinnati, Covington, Newport and Louisville, cooperating with the constituted city authorities. They have been advising the authorities how to get the various departments back to normal. At Louisville one of the problems is cleaning the fire alarm boxes that were submerged. The cables have been impaired and the task of stringing overhead wires to provide temporary service has been undertaken.

As soon as the water gets back to normal stage, much of the service will soon be restored, observers believe. The various fire stations will again be occupied and the men will be busily engaged in getting the apparatus into shape again. National Board officials recall that the fire alarm systems of Hartford, Lowell, Haverhill and other cities that were knocked out of commission in the flood last spring were soon restored.

Electrical service must be restored. In Cincinnati, crews have been making the rounds with 15 ampere fuses. Where these are blown out, it is regarded as prima facie evidence that there is a short circuit and the property is tagged and no service is provided.

Conference in Chicago

G. W. Booth, chief engineer of the National Board, arrived in Chicago Wednesday to confer with Clarence Goldsmith, assistant chief engineer of National Board regarding operations in the flooded areas.

The proffer of the National Board to place its facilities at the disposal of the federal government for service in the stricken region was acknowledged by the adjutant general in a letter of appreciation to W. E. Mallalieu, general manager, promising to refer the matter to the engineering officer in charge of the flood district.

One of the big questions to be taken up by the National Board is the conflagration hazard created through the overturning of oil tanks and the ignition of their floating contents along waterways by sparks from fallen electric wires. It is pointed out that as a rule large oil tanks are located along waterways to facilitate the intake and discharge of oil from and to barges. In addition a number of large manufacturing plants have tanks of their own, which if overturned and their contents released through undermining discharge a dangerous vapor highly susceptible to ignition and explosion if it comes in contact with flames, locomotive or electric sparks.

While it might be possible securely to anchor new tanks, it is regarded as too expensive to undertake such work for the large number of tanks already built, and some other method for their safety must be developed. In the main, tanks are built of light steel, and without solid base. To increase their weight and thus

reduce the liability of their structural collapse, oil manufacturers suggest promptly filling them with water when the flood threatens. As oil is lighter than water, the two do not mix, the oil rising to the top, permitting its draining off without injury when the situation warrants. With this protective idea insurance engineers are sympathetic.

Another hazard which engineers consider as highly important is that of the damage to electric wiring caused by the silt and water brought down by floods. In certain of the flooded areas hundreds of fire alarm boxes have been removed and aerial wires stretched temporarily. How important the protection of wires both within and without individual properties is deemed may be inferred from an ordinance passed by the Pittsburgh council following the floods in that city last March, requiring rewiring in every instance. At Williamsport water was found in some conduits months after the flood waters receded.

Need Higher Levees

In the opinion of insurance men the only feasible means for preventing a recurrence of the damage caused by the late floods, would be strengthening and increasing the height of protective levees. It may be that the army engineers will offer further recommendations for protecting life and property, once existing surveys be completed and action by Congress and individual states had thereon.

While it does not appear feasible to remove present pumping stations in the various cities along flooded areas to higher ground, the suggestion is advanced that additional reservoirs be built for use in emergencies, and that pumps be removed to safety zones. While the suggested plans for reducing the flood hazard thus far tentatively offered would mean the expenditures of huge sums, the aggregate would still be far less than the property loss already incurred, to say nothing of the protection to life.

UNDERWRITING FACTORS

Observers have been impressed with the fact that in this flood, the current has been exceptionally strong. In many floods previously the movement of the water has been very slow. Due to the current this time, there is the fear that foundations of buildings will have been affected. The companies will be interested in checking this condition as soon as possible.

Farm insurance people have been following the flood situation. The daily newspapers have been concentrating on the more dramatic conditions in the big cities, but the subsidiary streams in several states have been swollen at the same time and farm buildings throughout large areas have been flooded. Some of the companies have been instructing their farm special agents to get in touch with local agents and direct them as soon as possible to make inspections.

Watch Moral Hazard

The theory exists among fire insurance people that the flood may be the forerunner of various moral hazard situations. At first, perhaps, the theory goes, the heroic spirit will prevail and everyone will be busily engaged in rehabilitating his property. However, as that spirit wanes, some assured may despair and be tempted to unload their troubles on the insurance companies. Just how many losses will be reported under comprehensive household policies remains to be seen. These contracts have been sold principally to those in the better residential districts of the cities. In some of the cities affected by the current flood, high grade residences were flooded. In Cincinnati this was not true, but good residential districts in some of the smaller cities were flooded.

Some observers believe that this experience will stimulate interest in the comprehensive contract among residents of river towns and if there is an unusual demand for such insurance in towns subject to flood, the underwriters may

give consideration to rate increases or restrictions.

All of the towns that were badly involved in the flood will be watched very carefully by the underwriters. They will be interested in the future trend in these cities, whether a process of degeneration shall be discernible or whether the towns will emerge from the disaster with a forward looking spirit.

FACTORY MUTUALS

The Factory Mutual companies had three risks in Cincinnati that were involved in the fire caused by the ignition of oil and gasoline floating on the flooded water. The largest loss was to the Oberhelman-Ritter Foundry Company. This loss is now estimated to be from \$30,000 to \$40,000. That risk was placed by the Manufacturers Mutual Fire.

The Triumph Manufacturing Company, which was placed by the Boston Mutual, suffered loss estimated at \$20,000. The Spring Grove plant of J. H. Day Company suffered a small loss. This was placed by the Blackstone Mutual Fire.

A corps of inspectors of the Factory Mutual inspection department have been getting in touch with the various Factory Mutual risks in the river towns ever since the flood became serious. They were able to make a quick review of the risks in practically all cities and towns except Paducah and Louisville. In the latter city, one of their inspectors arrived, only to have his boots confiscated immediately. He was not able to make a report. The inspectors were not able to get in touch with the risks in Paducah.

In the other cities the inspectors reported that the situation was not alarming, from a fire insurance standpoint. In most of the risks, in which the fire protection equipment was out of commission, the management has been operating an effective patrol service. O. W. Stewart, acting head of the Factory Mutual inspection department, was on the scene personally, visiting several of the affected cities.

PROTECTING COTTON

Milton Dargan of Atlanta, chairman of the Cotton Insurance Association, sent a letter to members, advising what is being done to protect cotton from loss in the floods. Manager E. B. Proctor, Assistant Manager J. S. Hudgins and engineers from Dallas, Memphis and Oklahoma City are stationed in Memphis. Conferences have been held with marine interests in New York, with the Cotton Fire & Marine Underwriters and the insurers of government cotton. All interests have their engineers in Memphis and have concentrated authority to act in Mr. Proctor.

Cotton is being evacuated to higher ground and several of the largest concentration points in Memphis and at as many other danger points as possible. A survey is being made of every compress in the dangerous districts and everything possible is being done to move cotton or build temporary levees around plants.

All shippers and other assured have been requested to make immediate shipments of cotton sold from these plants instead of from plants that may be out of danger and to buy no cotton to be stored in the danger plants until danger passes.

From New Orleans comes the word that \$9,000,000 worth of cotton is being moved from points on the Mississippi river to New Orleans for protection against the flood waters that is covering the section south of Memphis. Underwriters for the past week have sent investigators to this section and on their reports it was decided to ship to New Orleans. One hundred and fifty thousand bales will arrive in New Orleans

within the next few days, with more to follow as soon as transportation facilities can be secured. The American Cotton Co-Operative association is behind the idea.

At Memphis there are some 636,000 bales of cotton and between Memphis and New Orleans in the Mississippi Valley there are 264,000 more. The stocks at New Orleans are believed to be safe. About 45,000 bales have been moved from Memphis warehouses and stacked high along Front street. That street is now filled and cotton is being moved more than a mile to open fields.

Twelve watchmen have been patrolling the scene 24 hours a day with an assistant fire marshal in charge of each shift. There is a fire station a block away.

HASSMER'S RECORDS DESTROYED

Word reached the companies represented in Hassmer's agency of Lawrenceburg, Ind., that all records of that office have been lost due to the flood.

REHABILITATION IN TENNESSEE

NASHVILLE, Feb. 3.—The Tennessee Fire Underwriters Association in cooperation with the Tennessee Inspection Bureau has formulated definite plans for the protection of life and property in the flooded areas by careful inspection of all properties affected. Particular attention will be directed toward wiring and heating units.

The association is directing a letter to all mayors, setting out potential fire hazards that may ensue as a result of the flood and asking the mayors to give publicity in their local newspapers; also requesting their cooperation in enforcing careful electrical inspection before current is restored. Wide publicity will be given in the newspapers to all citizens relative to hazards and in some areas a house-to-house canvass will be made and literature distributed on this subject.

By close cooperation between power companies, electrical inspectors and engineers and the special agents of stock companies the loss to property owners is expected to be minimized. Towns affected are: Tiptonville, Ridgely, Dyersburg, Murfreesboro, Nashville, Carthage, Clarksville, Hartselle and Celina.

ARKANSAS SITUATION

LITTLE ROCK, ARK., Feb. 3.—It will be at least three weeks before insurance adjusters can inspect buildings in flooded districts. Flooded area is 95 percent farm territory. Practically all insurance men in flooded district, comprising eastern Arkansas, are idle and very few collections are coming in. No buildings as yet have been flooded beyond basements. Merchants of West Helena, Clarendon, Arkansas City, Devils Bluff are moving stocks to second and third stories.

Illinois Code Not Introduced

The Illinois insurance code bill has not yet been introduced in the legislature. The report was heard that it was to have been introduced Tuesday, but department officials state it will not be introduced until a "later date."

President Zacher of the Travelers was in Springfield this week conferring with Insurance Director Palmer. Under the proposed code, life companies could not write compensation, auto liability or other third party coverages. This would affect exclusively the Travelers.

The board of governors of the Illinois Bar Association last week had approved the proposed insurance code except for the section governing London Lloyds. As to that section, the board of governors took no position. A protest against it had been made by the Illinois attorney-in-fact for London Lloyds. Apparently what the attorney-in-fact wants is wide open authority for Lloyds. Insurance Director Palmer of Illinois is represented as taking the position that Lloyds should be on the same footing as any other insurance institution. Lloyds should have no special position, not enjoyed by its competitors.

CINCINNATI GETTING BACK ON ITS FEET

(CONTINUED FROM PAGE 3)

least double the \$578,000 losses adjusted up to Dec. 31 last year.

Ordinarily a fire boat would be of no value on the Ohio river because of the great distance of risks from the water and their accessibility from shore, but one would probably have come in handy at the Millcreek fire.

No private automobiles were permitted on downtown streets beginning Wednesday without a permit, sightseers causing traffic congestion and impeding relief work. Driving was more hazardous after dark with no street lights burning in suburban sections and motorists were asked to keep off the streets.

Property loss was estimated at from 10 to 15 millions.

Insurers Grant Concessions

Insurance policies expiring during the flood emergency were renewed automatically and removal of values made necessary by the flood were covered without notice at new locations, a number of companies waiving notice under policy terms for 30 days.

Undoubtedly some buildings are being undermined by the flood waters and two in the city have collapsed from that cause. It is reported that the owner of the building on Broadway, just above Third, filed a claim under his fire policy stating that there had been an explosion prior to the collapse, which has not been substantiated. Occupants received warning in sufficient time to escape in police boats.

Here is a list of some of the flood fire losses in the Cincinnati area, practically all mentioned in the article and not complete:

Millcreek, \$1,500,000-\$2,000,000, including Crosley Radio \$500,000-\$600,000, Standard Oil \$500,000 or more; Baltimore & Ohio Roundhouse, \$25,000; Riverview Apartments, \$3,000. Sizable losses were incurred by Triumph Manufacturing Co., Cincinnati Iron Fence Co., Fashion Frocks, Inc., and the loss of several residences at North Bend will run at least several thousand more.

Water Systems Crippled

Fire losses and hazards are very severe here and in most communities affected by the flood. Crippled water systems, as in Cincinnati, make it very difficult for firemen to work efficiently. Regular fire apparatus here is accompanied by water tank trucks, since water is not available from most hydrants. At one fire, it was necessary for firemen to pump water through more than a mile of fire hose to extinguish a serious fire in a large apartment building. Water was taken from the flood's edge and relayed from pumper to pumper in order to reach the blaze.

Fire alarm systems have been affected by crippling of electricity service. Unless telephone systems are in operation, transmission of fire alarms is difficult and slow. Firemen are faced with great obstacles when thousands of buildings stand in several feet of water. Fighting fires under such handicaps becomes more or less a matter of doing as much as possible with the facilities available. All off-time has been canceled, and firemen stop working only long enough to snatch naps and quick lunches.

More Trouble Later

Serious as conditions are while water is high, firemen expect even more trouble after the water recedes. Efforts to dry buildings out quickly often result in fires. Salamanders and stoves are usually used. Sometimes they are made too hot, or allowed to operate unattended. When electric current is turned into wires with soaked insulation, short circuits can be expected, and attendant fires.

Lack of electricity for lighting has swollen the number of fires. Candles, lamps and lanterns in the hands of persons unaccustomed to their safe use are fire breeders. Efforts to heat upper

stories of buildings where heating plants in basements are flooded also result in numerous fires.

Fire Chief Houston is making constant radio and newspaper appeals for extreme care. He has repeatedly explained the situation to Cincinnatians, and urgently requested their cooperation. In one case, he closed the store of a man who was selling lamps made by puncturing jar lids and running wicks into kerosene in the jars. Terming the devices "bombs," Chief Houston ordered the man to quit selling them. As a subterfuge, the offender began selling jars, kerosene and wicks, and instructing purchasers how to rig up lamps. His violation was made public and his store closed.

In spite of attempts to make Cincinnatians more careful, and the heads-up work of the Cincinnati department, the city has suffered more fire loss during the duration of the flood than during any entire year of the last decade. One fire alone caused an estimated loss of a million or a million and a half. Extra alarm fires, normally very rare in Cincinnati, have occurred several times.

Floating Gasoline

Hundreds of thousands of gallons of gasoline floating on the swollen Ohio have endangered citizens and their property here almost since the inception of the flood. One fire with a loss estimated at well over a million dollars is directly traceable to this hazard. About 50,000 gallons of gasoline had escaped from tanks and was floating on the surface of the water. At this point, there is no current, the high water having backed up through sewers.

For several days strict watch was kept to avoid all open flames in the area, and it seemed that fire might be averted until the gasoline evaporated. An electric wire broke, however, and resulting sparks ignited the floating gasoline. Fire flashed across the surface of the water, and communicated to buildings. Nearly a score of factories, tenements and other occupancies were involved in the fire, which spread over an area of more than three square miles.

Cincinnati's Bottoms

Cincinnati's "bottoms"—the high value manufacturing and commercial district—is also endangered by floating gasoline. Hundreds of buildings are under water in this section. Oil is frequently visible on the water, and from time to time the odor of gasoline is very strong. While the water is flowing at this point, there is still a serious hazard. With the water system greatly curtailed, the fire department would be almost powerless in the face of a serious fire in this location, inundated as most of it is.

The floating gasoline comes from two sources. There has been an expressed suspicion that gasoline is being liberated at points upstream from Cincinnati in order to lessen the hazard there. Cincinnati officials have issued appeals to have the dumping stopped immediately.

Most of the free gasoline, however, has come from damaged storage tanks. In the section of Cincinnati known as "Riverside," located downstream from the rest of the city, there are several bulk storage plants. Gasoline is shipped to these points by river barge, pumped out into huge storage tanks and held until needed. Most of these tanks are in the flood waters and have given a great deal of trouble.

Tanks Break Loose

In order to keep these tanks from floating away on flood waters, they are usually pumped full of water or gasoline. But in spite of all precautions, several of the tanks have broken loose, and were recaptured only by heroic work of firemen, coast guards and other workers. Rushing waters and debris have also damaged valves, pipes and other fittings, allowing gasoline to escape.

It has been estimated that over a million gallons of gasoline have escaped

here during the flood. Whether or not the city will be able to get through the high water period without more disastrous fires is problematical. Although every human care is being taken to keep fire of all kinds away from the fumes, even the tiniest spark would be sufficient to start a conflagration.

Fire prevention and insurance engineers agree that this is one of the most serious aspects of the entire flood situation. They feel that it has shown a need for regulations requiring more secure construction of bulk gasoline tanks. If heavier construction, more secure mooring and other safeguards are needed they should be made mandatory. There are already very definite and stringent regulations for reduction of ordinary fire hazards of gasoline storage. Tanks that are located where floods may affect them should be required to meet certain standards that will enable them to resist the water, it is felt.

Job of Rehabilitation

Cincinnati this week began the task of cleaning and rehabilitating itself after the greatest flood in its history which caused an estimated property loss of \$25,000,000, the Red Cross estimating that 14,866 buildings were flooded in metropolitan Cincinnati, 10,000 structures being affected on 900 city blocks within the city itself. Fire loss will probably not exceed \$2,000,000. It is anticipated that water will be pumped through the mains the latter part of the week; until then there is still a serious fire hazard. The river stage was expected to drop below 64 feet Thursday, 16 feet under the crest.

Damage to merchandise in hundreds of inundated freight cars insured under transportation policies is expected to be considerable, but no accurate estimate can be made at present, nor can the damage to automobiles insured under the comprehensive policy be accurately stated. The General Motors Acceptance Corporation has inserted large advertisements in Cincinnati papers reading "Car Damaged by Flood? If your car was purchased on the General Motors Instalment Plan (GMAC Plan) and was insured by General Exchange Insurance Corporation, it was protected against damage by flood.

Doesn't Attempt to Drive

"If such insurance policy is still in effect and your car has been so damaged, please communicate with us at once—or if more convenient, with the dealer from whom you bought your car.

"Warning: Do not attempt to drive your car if damaged by flood."

On Jan. 24 there was a rapid rise in the river, over five feet, which caught many automobiles believed stored or parked in safety, particularly commercial cars. This was also true of loaded railroad freight cars. The weather bureau considerably underestimated the river's crest and for several days issued a new statement each day.

In a week's period ending Sunday, Jan. 31 at 6 o'clock in the evening, the Cincinnati fire department answered 137 alarms, practically all minor in nature. The Cincinnati department has a fleet of tank equipped trucks which respond to an alarm with the fire engines, the tanks having capacities up to 800 gallons. These have been used effectively in fighting fires. They were constructed in an emergency and some were available as early as Jan. 26, the trucks being loaned for the purpose by Cincinnati business houses. They are equipped with hose connections and their contents emptied by a pumper. The tanks are filled with river water by pumpers.

Combat Fires from Water

Inundation of hundreds of blocks forced the departments to take to the water to combat fires. There were no fire boats in the city prior to the flood, but a "fire fleet" was hastily assembled, chief of these being a 22 foot boat loaned to the city by Keenan Hanley, Hanley Engineering Service, Prospect, O., which was rigged up by Mr. Hanley in two days when he heard of the emergency. It is equipped with a cen-

trifugal pump capable of delivering 800 gallons a minute, powered by an old fire engine motor. The pump also provides motive power for the boat, water being discharged from two one-inch openings under the waterline at the stern. As the water is ejected, under pressure, a back pressure is created which drives the boat forward. A screw drive would become entangled in the enormous amount of debris of all kinds with which the Ohio is loaded.

Three fair sized fire streams can be delivered by the craft. While not speedy, it handles well, and firemen are able to get streams close to fires in flooded areas. No boat was available in the Mill creek fire.

Firemen are detailed at intervals along the waterfront. They use rowboats largely, some equipped with outboard motors, and furnished with extinguishers, small hand water pumps, axes, ropes, hooks, and other equipment. Several small fires have been quenched by this fleet.

Each Situation Different

Experienced fire fighters say it is almost impossible to outline any universal plan in advance for attacking fires in flooded areas. Each fire presents its own problems and how well the firemen work depends on how quickly they can get sufficient hose lines close enough to be effective. Overhead wires and narrow streets with swift currents bar use of large equipment.

Inspections as to the structural safety and sanitation of buildings in the flooded zone were started by forces of city inspectors, augmented by architects, engineers, and building mechanics from both federal and state departments.

A shipment of 25 miners' lamps to detect the presence of natural gas or gasoline fumes was received by Fire Chief Houston which were donated to the city by the Mine Safety Appliance Company, Pittsburgh. The lamps will enable inspectors to find if there are any leaks in gas pipes or stoves before permitting flames in the buildings.

Cincinnati offices were severely handicapped by lack of water, heat, light, and crippled transportation facilities, but carried on as best they could with skeleton staffs. The Earls-Blain agency opened temporary quarters in a downtown hotel sample room where it was functioning on practically a normal basis.

A corps of boiler inspectors are in the city inspecting boiler equipment. So far, due to precautions, there have been no explosions and it now appears probable that there will be none.

Many motorboats in drydock since Nov. 15 were lifted off their racks by the unusually high water and many will be found damaged and lost when the river has receded. Some of the boats are insured only against fire perils with the close of the navigation season, but a considerable number are insured against all marine perils.

There will be some personal property losses, but how extensive these are is difficult to say at the present time.

CHAOS IN LOUISVILLE

It will be some time before an accurate general picture of the damage in Louisville can be drawn. Those who were in Louisville during the worst of the flood are probably not as well informed about the general situation in their own city as are those in other places who have been following radio newspaper accounts. People in Louisville were able to observe only their immediate surroundings and are able to recite personal experiences only. No one as yet has been able to make anything like a general survey and get an idea, for instance, on how much glass breakage was, how many automobiles were submerged, how the foundations of buildings were affected, etc.

Although in the western section of Louisville from 15th street west to the river there is a neighborhood of above the average residences, some being in

the \$15,000 class, the flood did not reach the best residential sections. It is therefore unlikely that flood damage was done to many residences, the contents of which were insured under the comprehensive household policy. The better homes in Louisville are in the eastern section of the city and on higher ground.

Pate glass loss is reported to be heavy due to action of water and vandalism.

The Starks building, in which most of the field men have their offices and in which the Audit Bureau is located, was inaccessible until Monday of this week. There was at no time water on the first floor of the Starks building, but it was surrounded by water. It was not officially opened on Monday, but it was accessible.

Members of the Louisville Board announced through the columns of the newspaper that they would take care of all expirations for 15 or 30 days. As a matter of fact, most of the agencies have written up their expirations ahead. The agents are not freely accepting new business and burglary insurance, it is reported, is written under no circumstances.

Despite the drastic threats that were made, much looting and petty thievery occurred in Louisville and some fear that there will be even more of this after the water has subsided further, but before the owners get back to their property.

The newspapers throughout the country featured the fact that the Kaufman-Strauss building, housing the department store, had been roped off on the suspicion that its foundations had been undermined and that it might collapse. This led to the fear that the foundations of buildings generally in the flood area might be seriously affected. As a matter of fact, it was discovered that the Kaufman-Strauss building had sunk somewhat some years previously and that no new trouble had developed.

The Western Underwriters Association notified agents in Kentucky to report their business direct to their companies instead of sending it through the Audit Bureau. That means that this practice will be followed by all companies and agents.

The best way to visualize the Louisville flood is to think of 10 feet of water in the Brown hotel. This is a landmark in the city and any one who has been there will appreciate what that means.

Word from Louisville

From Louisville comes word that from present indications it is doubtful if any of the larger office, business or other buildings in Louisville has been seriously damaged. Early rumors that certain buildings had been damaged, or might have to come down, were false, and after inspection by architects, announcements were made that they were not in any trouble.

To prevent possibility of basement walls or retaining walls caving in, owners of such buildings are pumping water out slowly, so as not to take any chances on back pressure tearing out foundations. As long as pressure is even on both sides of a wall there is no danger, whereas to pull the water out of the interior too quickly might lead to serious damage.

Downtown Louisville is built on sand deposits and the larger buildings do not go to bed rock, but are placed on concrete mats, laid on hard packed sand. Engineers contend that such construction is absolutely sound and is never known to cause trouble.

It is now easy to get into the business district, which is rapidly being cleaned up, and stores will resume operations as soon as they can clear the water from their basements, and secure light, heat and elevator power, along with badly needed telephone service.

The residence and business section west of 18th street and north of the

Parkway, are barred, until the river is lower and sanitary engineers can inspect homes, etc.

Weeks of Work Ahead

The flood at Louisville is definitely receding but it will be weeks before residents can return to homes in the western part of the city, and furthermore they are barred from entering the district until all homes have had sanitary inspection.

Virtually all of the insurance companies and agents have announced that all expiring policies will be automatically bound pending such time as the owners are able to reach the agents offices, or can be personally contacted by the agents, this including fire, life, casualty and general lines.

The Louisville Board in an advertisement announced that all insurance written by member agencies, and which have expired or will expire during the present emergency will be automatically continued for a period of 15 days.

Continue for 30 Days

The Fidelity & Columbia Insurance Co., announced that all policies would be continued in force automatically for a period of thirty days. Gibson-Winer & Co., announced that all expiring policies would be continued until the agency can individually contact its customers. Similar announcements were made by the Liberty Fire and affiliated agencies; Carpenter & Burba; Barrett Robinson Dickey & Swope.

For one thing there are virtually no offices running and workers can't get to their offices, any more than the public can. In fact it is very difficult to secure permits to get over the pontoon bridge to enter the downtown area.

It will probably be a week before bus or street car transportation can be resumed on other than a few of the lines operating on higher land. Office buildings are without light, heat, or power. No smoking is permitted on the streets and this order is being rigidly enforced to prevent fires at a time when the fire department is in poor shape to handle them, what with virtually no water pressure and a short supply, plus a worn out fire department, that is being helped out by firemen who came in from various cities for relief work.

One Bad Fire Loss

One bad fire occurred on Jan. 26, when the Louisville Varnish Co., surrounded by approximately eight feet of water took fire and suffered a loss estimated at \$250,000. Firemen were powerless to handle the fire, and it is reported to have been the first major fire in Louisville in many years at which only firemen were spectators. This fire was at the No. 1 plant, 12th and Maple.

The Monarch Auto Co., at Eighth and York street also suffered fire damage, which will probably run into a few thousands of dollars.

The river has receded about four or five feet from the crest of 58 feet, which was about 12 feet above all previous records. There is probably 60 percent of the city affected, and a section 40 blocks long and 30 blocks wide is still almost entirely affected.

Loss of life has been relatively small, and chiefly due to disease and exposure, rather than drowning, as with boats and trucks the western city area was almost totally evacuated.

OHIO BUREAU BUSY

COLUMBUS, O., Feb. 3.—The Ohio Inspection Bureau has been rendering effective service in connection with the flood. As soon as the situation became threatening, the bureau began to send daily bulletins on the rise of the waters and other incidents entering into the disaster. In some places representatives of the bureau were able to advise with the local officials even before the flood assumed serious proportions.

As soon as the waters began to recede, the bureau rushed men into the flooded territory starting at the upper

reaches of the Ohio and extending clear to Cincinnati. These men are giving much attention to the fire hazards that might arise from the use of gas, electricity, and drying-out processes in buildings, and are devoting much time to the sprinklered risk situation. The inspectors are checking up on the fire hazards that have arisen since the flood, as well as those that existed before. They are cooperating with the local officials in the reestablishment of fire departments and the resumption of the water supply. The danger of fire from defective electrical equipment is looked upon as one of the most serious perils. The inspectors have all been inoculated against typhoid and are carrying their own drinking water. They are equipped with rubber coats and rubber boots, and carrying passes from the state fire marshal are able to go into every nook and corner. In its work the Ohio bureau is being assisted by the West Virginia Inspection Bureau, and activity is proceeding along both sides of the Ohio. The National Board has sent Engineer De Rohan of Chicago to Cincinnati to assist in the clean up work. The Ohio bureau has received a number of messages from officials on the Ohio thanking them for the service already rendered and asking for its cooperation until normal conditions are restored.

The Fire Prevention Association of Ohio this week named W. J. Gilsdorf of the North America and D. P. Ely of the Ohio Farmers to cooperate with the Ohio Inspection Bureau.

With the exception of along the Ohio river, the flood did not do much damage in Ohio. In some cities, especially in the eastern part of the state, the waters came up but soon subsided. No fires were reported outside of Cincinnati and Portsmouth. The extent of farm lands in the Ohio river bottoms that was flooded was not great and insurance men express the opinion that the moral hazard would not enter into the situation to any extent. Some of the field men were marooned in Cincinnati, and other cities for a day or so, but soon managed to get out. Of course, they were unable to work in southern Ohio last week because roads south from Columbus were more or less under water. They were compelled, then, to confine their activities to northern, northwestern and northeastern Ohio. So far as learned here, no field man suffered any personal loss, although it was reported that the homes of several in Cincinnati probably were flooded.

INDIANA PICTURE

INDIANAPOLIS, Feb. 3.—It is still too early to make any dependable guesses as to insurance losses in the flood stricken area in southern Indiana. It is known that there will be many automobile claims where the comprehensive policy has been freely written. In Indiana, thus far, no serious fire losses have been reported. Marine underwriters are anticipating loss claims under floater policies including goods in transit, installment payment goods and personal property floater policies. In localities where the water reached the business districts it is reported that many store windows are broken. This is attributed to floating debris and the force of waves caused by power boats. The bridge at Jeffersonville across the Ohio has carried insurance and is believed to be covered at present. As to insurance on other bridges reports have not been made available.

Insurance company field men who have visited the scene say that many agencies have lost their records and their companies will help to restore these. Every means is promised to help those who have been unfortunate to get reestablished.

It is believed by many that there will be demands for return of fire insurance premiums on property that has been destroyed by flood. Whether such return will be on the short rate or pro rata basis is not as yet stated.

That many refugees will never return

to the scenes of their destroyed or damaged homes is the opinion of some field men. In years past there have been many residents along the river who have almost annually been forced for a time from their homes by high water. They have gone through these experiences as a matter of fact but under the present circumstances so many more have been added to the exodus and the provision of relief has been so spontaneous that some believe numerous individuals will be disposed to take advantage of the relief program as long as it is available. It is no doubt true that many who have no homes to return to will become absorbed in other communities. All of this will have an important bearing on the value of property in river towns for years to come.

There are some observers who, however, while not depreciating the magnitude of the disaster, claim that the ultimate loss will not be as heavy as has been predicted under the hysteria that naturally attended the excitement of the experience. They have observed the courage with which the people of some of the cities and towns are already turning to the work of restoration and cleaning up.

Most of the company field representatives will shortly be working in the affected area. All who do go are first being inoculated against infection from disease.

It is understood that additional auto claim adjusters are being recruited to handle the many claims that are anticipated.

A meeting of the State Fire Prevention Association was held in Indianapolis Monday and plans were laid for working in the flood area. Richard Verner of Chicago was here and a meeting will be held in Chicago where plans will be perfected. At first some field men from Indiana were to attend but it has been decided not to have these or anyone from the state fire marshal at the meeting as, if this were done for Indiana, other states should be likewise represented and it would result in too large an attendance to get things done.

The Indiana field men who were made deputy state fire marshals to act in the flooded cities have been doing some good work. H. P. Radley of the Indiana Inspection Bureau in Evansville was placed in charge of a crew in that city. Inspections were made of the mercantile district of Evansville and other cities that were not under water. The field men found that although warnings of a general nature were being given to the citizenry that there was practically no effort to acquaint the people with specific hazards that might exist. Therefore the field men proceeded to get that story to the public, pointing out particularly the hazards of heating, lighting and power where temporary equipment is used. The Evansville Insurance Agents Association inserted in the Louisville "Courier Journal" an advertisement headed, "How to Prevent Fires."

In Evansville the field men made inspections of the refugee stations.

RAILROAD LOSS \$20,000

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Casualty, Automobile, Sure

the \$15,000 class, the flood did not reach the best residential sections. It is therefore unlikely that flood damage was done to many residences, the contents of which were insured under the comprehensive household policy. The better homes in Louisville are in the eastern section of the city and on higher ground.

Pate glass loss is reported to be heavy due to action of water and vandalism.

The Starks building, in which most of the field men have their offices and in which the Audit Bureau is located, was inaccessible until Monday of this week. There was at no time water on the first floor of the Starks building, but it was surrounded by water. It was not officially opened on Monday, but it was accessible.

Members of the Louisville Board announced through the columns of the newspaper that they would take care of all expirations for 15 or 30 days. As a matter of fact, most of the agencies have written up their expirations ahead. The agents are not freely accepting new business and burglary insurance, it is reported, is written under no circumstances.

Despite the drastic threats that were made, much looting and petty thievery occurred in Louisville and some fear that there will be even more of this after the water has subsided further, but before the owners get back to their property.

The newspapers throughout the country featured the fact that the Kaufman-Strauss building, housing the department store, had been roped off on the suspicion that its foundations had been undermined and that it might collapse. This led to the fear that the foundations of buildings generally in the flood area might be seriously affected. As a matter of fact, it was discovered that the Kaufman-Strauss building had sunk somewhat some years previously and that no new trouble had developed.

The Western Underwriters Association notified agents in Kentucky to report their business direct to their companies instead of sending it through the Audit Bureau. That means that this practice will be followed by all companies and agents.

The best way to visualize the Louisville flood is to think of 10 feet of water in the Brown hotel. This is a landmark in the city and any one who has been there will appreciate what that means.

Word from Louisville

From Louisville comes word that from present indications it is doubtful if any of the larger office, business or other buildings in Louisville has been seriously damaged. Early rumors that certain buildings had been damaged, or might have to come down, were false, and after inspection by architects, announcements were made that they were not in any trouble.

To prevent possibility of basement walls or retaining walls caving in owners of such buildings are pumping water out slowly, so as not to take any chances on back pressure tearing out foundations. As long as pressure is even on both sides of a wall there is no danger, whereas to pull the water out of the interior too quickly might lead to serious damage.

Downtown Louisville is built on sand deposits and the larger buildings do not go to bed rock, but are placed on concrete mats, laid on hard packed sand. Engineers contend that such construction is absolutely sound and is never known to cause trouble.

It is now easy to get into the business district, which is rapidly being cleaned up, and stores will resume operations as soon as they can clear the water from their basements, and secure light, heat and elevator power, along with badly needed telephone service.

The residence and business section west of 18th street and north of the

Parkway, are barred, until the river is lower and sanitary engineers can inspect homes, etc.

Weeks of Work Ahead

The flood at Louisville is definitely receding but it will be weeks before residents can return to homes in the western part of the city, and furthermore they are barred from entering the district until all homes have had sanitary inspection.

Virtually all of the insurance companies and agents have announced that all expiring policies will be automatically bound pending such time as the owners are able to reach the agents offices, or can be personally contacted by the agents, this including fire, life, casualty and general lines.

The Louisville Board in an advertisement announced that all insurance written by member agencies, and which have expired or will expire during the present emergency will be automatically continued for a period of 15 days.

Continue for 30 Days

The Fidelity & Columbia Insurance Co., announced that all policies would be continued in force automatically for a period of thirty days. Gibson-Winer & Co., announced that all expiring policies would be continued until the agency can individually contact its customers. Similar announcements were made by the Liberty Fire and affiliated agencies; Carpenter & Burba; Barrett Robinson Dickey & Swope.

For one thing there are virtually no offices running and workers can't get to their offices, any more than the public can. In fact it is very difficult to secure permits to get over the pontoon bridge to enter the downtown area.

It will probably be a week before bus or street car transportation can be resumed on other than a few of the lines operating on higher land. Office buildings are without light, heat, or power. No smoking is permitted on the streets and this order is being rigidly enforced to prevent fires at a time when the fire department is in poor shape to handle them, what with virtually no water pressure and a short supply, plus a worn out fire department, that is being helped out by firemen who came in from various cities for relief work.

One Bad Fire Loss

One bad fire occurred on Jan. 26, when the Louisville Varnish Co., surrounded by approximately eight feet of water took fire and suffered a loss estimated at \$250,000. Firemen were powerless to handle the fire, and it is reported to have been the first major fire in Louisville in many years at which only firemen were spectators. This fire was at the No. 1 plant, 12th and Maple.

The Monarch Auto Co., at Eighth and York street also suffered fire damage, which will probably run into a few thousands of dollars.

The river has receded about four or five feet from the crest of 58 feet, which was about 12 feet above all previous records. There is probably 60 percent of the city affected, and a section 40 blocks long and 30 blocks wide is still almost entirely affected.

Loss of life has been relatively small, and chiefly due to disease and exposure, rather than drowning, as with boats and trucks the western city area was almost totally evacuated.

OHIO BUREAU BUSY

COLUMBUS, O., Feb. 3.—The Ohio Inspection Bureau has been rendering effective service in connection with the flood. As soon as the situation became threatening, the bureau began to send daily bulletins on the rise of the waters and other incidents entering into the disaster. In some places representatives of the bureau were able to advise with the local officials even before the flood assumed serious proportions.

As soon as the waters began to recede, the bureau rushed men into the flooded territory starting at the upper

reaches of the Ohio and extending clear to Cincinnati. These men are giving much attention to the fire hazards that might arise from the use of gas, electricity, and drying-out processes in buildings, and are devoting much time to the sprinklered risk situation. The inspectors are checking up on the fire hazards that have arisen since the flood, as well as those that existed before. They are cooperating with the local officials in the reestablishment of fire departments and the resumption of the water supply. The danger of fire from defective electrical equipment is looked upon as one of the most serious perils. The inspectors have all been inoculated against typhoid and are carrying their own drinking water. They are equipped with rubber coats and rubber boots, and carrying passes from the state fire marshal are able to go into every nook and corner. In its work the Ohio bureau is being assisted by the West Virginia Inspection Bureau, and activity is proceeding along both sides of the Ohio. The National Board has sent Engineer De Rohan of Chicago to Cincinnati to assist in the clean up work. The Ohio bureau has received a number of messages from officials on the Ohio thanking them for the service already rendered and asking for its cooperation until normal conditions are restored.

The Fire Prevention Association of Ohio this week named W. J. Gilsdorf of the North America and D. P. Ely of the Ohio Farmers to cooperate with the Ohio Inspection Bureau. With the exception of along the Ohio river, the flood did not do much damage in Ohio. In some cities, especially in the eastern part of the state, the waters came up but soon subsided. No fires were reported outside of Cincinnati and Portsmouth. The extent of farm lands in the Ohio river bottoms that was flooded was not great and insurance men express the opinion that the moral hazard would not enter into the situation to any extent. Some of the field men were marooned in Cincinnati, and other cities for a day or so, but soon managed to get out. Of course, they were unable to work in southern Ohio last week because roads south from Columbus were more or less under water. They were compelled, then, to confine their activities to northern, northwestern and northeastern Ohio. So far as learned here, no field man suffered any personal loss, although it was reported that the homes of several in Cincinnati probably were flooded.

INDIANA PICTURE

INDIANAPOLIS, Feb. 3.—It is still too early to make any dependable guesses as to insurance losses in the flood stricken area in southern Indiana. It is known that there will be many automobile claims where the comprehensive policy has been freely written. In Indiana, thus far, no serious fire losses have been reported. Marine underwriters are anticipating loss claims under floater policies including goods in transit, installment payment goods and personal property floater policies. In localities where the water reached the business districts it is reported that many store windows are broken. This is attributed to floating debris and the force of waves caused by power boats. The bridge at Jeffersonville across the Ohio has carried insurance and is believed to be covered at present. As to insurance on other bridges reports have not been made available.

Insurance company field men who have visited the scene say that many agencies have lost their records and their companies will help to restore these. Every means is promised to help those who have been unfortunate to get reestablished.

It is believed by many that there will be demands for return of fire insurance premiums on property that has been destroyed by flood. Whether such return will be on the short rate or pro rata basis is not as yet stated.

That many refugees will never return

to the scenes of their destroyed or damaged homes is the opinion of some field men. In years past there have been many residents along the river who have almost annually been forced for a time from their homes by high water. They have gone through these experiences as a matter of fact but under the present circumstances so many more have been added to the exodus and the provision of relief has been so spontaneous that some believe numerous individuals will be disposed to take advantage of the relief program as long as it is available. It is no doubt true that many who have no homes to return to will become absorbed in other communities. All of this will have an important bearing on the value of property in river towns for years to come.

There are some observers who, however, while not depreciating the magnitude of the disaster, claim that the ultimate loss will not be as heavy as has been predicted under the hysteria that naturally attended the excitement of the experience. They have observed the courage with which the people of some of the cities and towns are already turning to the work of restoration and cleaning up.

Most of the company field representatives will shortly be working in the affected area. All who do go are first being inoculated against infection from disease.

It is understood that additional auto claim adjusters are being recruited to handle the many claims that are anticipated.

A meeting of the State Fire Prevention Association was held in Indianapolis Monday and plans were laid for working in the flood area. Richard Verner of Chicago was here and a meeting will be held in Chicago where plans will be perfected. At first some field men from Indiana were to attend but it has been decided not to have these or anyone from the state fire marshal at the meeting as, if this were done for Indiana, other states should be likewise represented and it would result in too large an attendance to get things done.

The Indiana field men who were made deputy state fire marshals to act in the flooded cities have been doing some good work. H. P. Radley of the Indiana Inspection Bureau in Evansville was placed in charge of a crew in that city. Inspections were made of the mercantile district of Evansville and other cities that were not under water. The field men found that although warnings of a general nature were being given to the citizenry that there was practically no effort to acquaint the people with specific hazards that might exist. Therefore the field men proceeded to get that story to the public, pointing out particularly the hazards of heating, lighting and power where temporary equipment is used. The Evansville Insurance Agents Association inserted in the Louisville "Courier Journal" an advertisement headed, "How to Prevent Fires."

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Forty field men and agents will take part in an inspection of Mankato, Minn., March 2-3.

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If you are not already one of our two thousand agents in Indiana, Michigan, Ohio, Illinois, Pennsylvania, Washington, D. C., Delaware, Maryland, New Jersey, Kentucky, or Iowa—to whom these automobile finance facilities are offered exclusively, write or wire our home office concerning agency connections now open.

FIRST TO OFFER A PRACTICAL AUTOMOBILE FINANCE PLAN FOR AUTOMOBILE INSURANCE AGENTS

obtaining lower taxes for the delegates. Mayor John W. Kern was president, presided. L. A. Hardin, vice-president, gave the response. Oscar F. Smith, attorney, will address the group today on legislation which affects the threshers.

Moving pictures of modern equipment in the course of manufacture and operation were shown last night and an address was given by Dr. Frank J. Niles, humorist.

At almost everybody who upon the scene appears It's only that I think that it's a clever thing to do— For maybe they will leave me \$500, too.

Victor yesterday in the auditorium of L. S. Higher sides of you which are recording

up in animals often may be traced in the middle Westailments, it was broug

"Lack of proper diet has been the cause of many diseases in both man and horses," he said. "To correct these conditions foods that will replace the calcium and vitamin de-

300 A

Three papers property ing up tral i

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CONVENIENT LOW COST PLAN

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YOUR AGENCY

Supervisors Appointed to Rehabilitate Schools

Plans for rehabilitation of schools in the flood areas were made yesterday by Floyd I. McMurray, su-

perintendent of public instruction, with the assignment of supervisors, who will take charge as soon as

flood waters recede.

The assignments are:

Dearborn, Ohio—C. R. Hertenstein and V.

Counties—Clark and Floyd—Ralph Watson

Jefferson—T. H. Mahan.

Harrison and Crawford—Margaret E. Paddock and Dorothy Hedges.

Perry—Allen T. Hamilton.

Warrick—Agnes V. Warrick and Warrick—Agnes V.

REPORTS REF

To the Editor of The

XUM

AMERICAN STATES Insurance Company
OFFICE American States Building INDIANAPOLIS

The NATIONAL UNDERWRITER

February 4, 1937

CASUALTY AND SURETY SECTION

Page Thirty-five

New President Is Now at the Helm

M. P. Cornelius Is Chosen Chief Executive of Continental Casualty

BEHRENS TO HEAD BOARD

Other Changes and Promotions Announced in the Official Personnel of the Company

At the meeting of directors of the Continental Casualty of Chicago Wednesday of this week, President H. A. Behrens was elected chairman of the board; M. P. Cornelius, first vice-president, president; Roy Tuchbreiter, vice-president and superintendent of agents, first vice-president. General Counsel E. V. Mitchell and Secretary E. G. Timme were elected to the board. Mr. Timme was made comptroller of the Continental Casualty as well as director. Succeeding him as secretary is R. D. Weilbrenner, formerly treasurer. F. P. Robinson succeeds Mr. Weilbrenner as treasurer.

Will Give Life Company Attention

The creation of chairmanship of the board for Mr. Behrens does not mean that he is in any way being shelved. The Continental Casualty will continue to enjoy the benefit of his leadership and guidance. He remains as president of the Continental Assurance, life insurance running mate, and by shifting a number of duties to Mr. Cornelius he will be able to devote more time and effort to the life company. Mr. Behrens is a former life insurance actuary and his early training was entirely in that field.

Mr. Cornelius' Career

Mr. Cornelius started with the Continental Casualty in 1909 as attorney, advancing to assistant general attorney in 1911, and general attorney in July, 1917. He was made a vice-president in April, 1921, and first vice-president in May, 1930. Mr. Cornelius is regarded as a man of most excellent judgment, he has a keen mind and in administrative affairs he has made his influence felt. While he was giving his time to the legal department he was serving as operating head of the various underwriting departments.

Mr. Cornelius is a student of the business and has contributed to its literature. He has written a number of books and brochures. His first major work, entitled "Accidental Means," is used today as an insurance textbook and is regarded as authoritative. His most recent book is "Third Party Insurance." It gives the reader a splendid grasp of liability insurance.

Mr. Cornelius has been especially interested in selecting young men who give promise of development and then training them into insurance men. He is thorough going as a teacher. His

London Lloyds Requirement Hanging Fire Until March 1

LICENSES ARE IN BALANCE

Illinois Agents Who Have Not Posted \$5,000 Bonds Receive Offers from Offices

No word as to which offices in Illinois have qualified with London Lloyds by setting up \$5,000 bonds as required some time ago by the London underwriters has been forthcoming from J. S. Lord, attorney-in-fact for London Lloyds, Chicago, or the special committee of Lloyds representatives headed by C. W. Weisz, president of A. F. Shaw & Co., Chicago.

Final date for meeting the qualification requirement originally was set at Dec. 15, but at that time Mr. Lord merely transmitted to London the list of representatives who had posted the bonds, and of others who had signed they planned to do so. It was left to the London underwriters to determine who should be disqualified.

May Rest Until March 1

Apparently now the intention is to let the matter rest until March 1, the date for new state licenses, at which time Mr. Lord will secure licenses for qualified representatives and possibly none for the others.

There are reported to be about 28 of the 53 Lloyds agents in Illinois that have posted their bonds. The fact that only about half have done so does not necessarily indicate that the remainder cannot meet the requirements. There has been much dissatisfaction among the Lloyds agents over the demand to tie up so much of their capital subject to the whim of London Lloyds, and especially subject to seizure at any time London Lloyds should decide the agent was not conducting the Lloyds business properly here. For this reason many with ample funds have delayed making the deposit, some of these feeling that the situation may work around so that eventually London Lloyds will not insist upon putting up the money.

The agents who have not qualified have not been idle. They have made various arrangements to qualify at the last minute. It is reported none need have any difficulty in securing deposit funds if they do not have sufficient money themselves, for a number of other offices not possessing Lloyds contracts have offered to put up the money in exchange for access to this market.

object has always been to minimize the negative traits and develop the finer and more positive qualities.

Mr. Cornelius was born at Saguache, Colo., Feb. 14, 1883, and went to Chicago in 1889 when his father became cashier of the Continental Casualty. He entered the University of Chicago in 1902 and then took his law course at Kent College of Law. During his college course he was desirous of paying part of his expenses and secured part time work with the National Life, U. S. A., as investigator. He remained with that company as an investigator and law clerk until he went with the Continental Casualty.

Fear Compulsory Plan as Disease Risk Solution Lags

ILLINOIS RATING BILL READY

Compensation and O. D. Situation Unsettled; Foundrymen Form Pool for Rejected Risks

Approval by all companies operating in Illinois of an assigned risk occupational disease plan appeared no nearer this week. Some fear that the delay may cause a compulsory plan bill to be offered in the legislature.

A state rating bureau bill sponsored by the department may be soon be introduced. If this does not contain a provision for compulsory assignment of workmen's compensation risks, such a requirement might appear as an amendment. It is reported to have been drafted, backed strongly by mutuals, which favor rate control. A compulsory O. D. assignment bill also is said to be ready for introduction.

It is possible a compulsory assign-
(CONTINUED ON PAGE 46)

Study \$1,000, One Limit Auto Form

Suggested to Appeal to the Uninsured, to Head Off Compulsory Cover

COST ONE - THIRD LESS

Questionnaire Is Sent by Companies Seeking Response to Idea of Combined P.L., P.D. Contract

Bureau casualty companies have sent to certain of their representatives a questionnaire seeking reaction to the suggestion that the companies issue a \$1,000 one limit public liability and property damage automobile contract at a cost one-third less than that for the combined premium for \$5,000/\$10,000 P.L. and \$5,000 P.D. contracts.

Among the questions asked are whether such a contract would prove salable to those now insured, whether the agent would like to have such equipment available, and whether unusual difficulties would be encountered in making adjustments under the contracts.

Seek to Reach Uninsured

Those sponsoring such a contract seemingly are not doing so with a competitive purpose. They are anxious to cut down the number of uninsured, primarily to invalidate the strongest argument of those advocating compulsory automobile insurance. That argument is that about 75 percent of the motorists are uninsured. There is not much of a sales talk accompanying the interrogatory. It reflects a sincere desire to reach those now uninsured, but it does not claim that the one limit policy is necessarily the solution.

Much debate is being heard among those to whom the questionnaire was addressed. Some believe that it would not be salable in those states in which rates are being cut as high as 25 percent by strong non-tariff companies. According to this theory, there would not be much of an incentive to the uninsured to become covered under a restricted contract when they could purchase for two or three dollars more full limits coverage in financially adequate insurers.

Might Reduce Settlements

Another objection that is cited is the possibility of great difficulties in making settlements where a claim can be disposed of only for an amount above the policy limit. Even with the standard limits policy the insurer commonly finds difficulty in getting assured to contribute to a settlement where the case can be disposed of only for more than the policy limit. With a \$1,000 limit policy, the number of such cases would be greatly multiplied and some critics believe that this is a vital objection.

On the other hand, some hold the theory that, inasmuch as the amount of
(CONTINUED ON PAGE 46)

Take Precautions Against Epidemics in Flood Areas

SITUATION IN CINCINNATI

No Serious Sickness Has Developed Yet but Authorities Are Preparing for the Worst.

CINCINNATI, Feb. 3.—While city officials are not overly alarmed in the flooded area surrounding Cincinnati about health conditions, nevertheless an unusual situation presents itself due to the water having been cut off from so many homes and withdrawn from the mains, sanitation conditions and flood waters in thousands of homes and buildings.

With so much oil and gasoline in the flood water which has flowed into various areas of Cincinnati, including a large portion of the lower class residential sections, a danger of disease is presented if occupants of their homes return too soon and attempt to clean up their homes without taking the necessary precautions.

No Typhoid Cases

At present there are no known typhoid cases in the city itself. City officials say that water must be boiled for at least ten minutes. Water has not as yet been pumped in through the pumping plant into the mains but probably will be by the end of the week. With mains having been emptied of water and with water having been put into these empty mains from reserve reservoirs, dirt which has accumulated in pockets of the mains is thus stirred up by the low pressure and changing pressure and this in turn is carried into homes and other users of water. It is also possible that water from the flooded river has entered into the mains at certain points carrying with it a certain amount of potential disease germs.

At a meeting early this week of the pediatricians at the Children's Hospital in Cincinnati, it was decided to advise all patients to continue to boil water for drinking, cooking and washing purposes for six months, as it was felt that the germs capable of carrying typhoid and other diseases would remain prevalent in the water supply for at least a portion of that time and that the city itself would not be rid of the danger of a typhoid epidemic for at least six months. Undoubtedly some doctors have become over careful with the thought of impressing on their patients the danger.

Boil Drinking Water

During the past 10 days there has been an ample supply of drinking water in the city, but this has had to be boiled for ten minutes before it could be used and the city is still urging that this be done. However, the supply of water for sanitation purposes has been very limited and a large amount of river water has been used for this purpose as well as water after being used for washing has been thrown into toilets for flushing purposes. It is possible for this water to have seeped or be siphoned back into the regular water system providing that valves on toilets were not adequate. If this has occurred to any large extent it is possible that a supply of this dirty water has reached the mains of the city and will eventually be pumped into the houses out of faucets.

While no epidemic of any proportion is expected all hospitals and doctors are taking precautions to care for one should it arise and are urging everyone whether they have been in contact with flood waters or not to be immunized against typhoid. As a matter of fact all hospitals have a smaller number of patients right now than is usual but they anticipate a large number of patients within the next month.

General health conditions of the city seem to be at a higher level than is usual at this time of the year and it is

President



MARTIN P. CORNELIUS, Chicago

This week the Continental Casualty of Chicago elected M. P. Cornelius, first vice-president, to the presidency, H. A. Behrens being chosen chairman of the board. Mr. Cornelius, aside from business pursuits, is an ardent fisherman, good golfer and plays a cracking game of squash.

Accidental Deaths in '36 Outnumber Those Before

A new all-time high in automobile traffic deaths was established in 1936, the National Safety Council estimates. It sets the figure at 38,500, an increase of 1,500 over 1935.

Accidental deaths totaled 111,000, the Council estimates. The previous high record was 101,139. There were 400,000 permanent disability cases and 10,300,000 of temporary disability due to accidents.

The number of fatalities due to accidents in the home exceeded the number resulting from automobile traffic accidents. The number of home accidents is estimated by National Safety Council at 39,000.

Monetary Loss Estimated

The Safety Council estimates the total monetary loss due to accidents in 1936 at \$3,750,000,000.

The accidental death rate in 1936 is estimated by the Council at 86.4 per 100,000 population. That is the highest ratio since 1917.

The traffic accident death rate per 100,000 of population was 30, compared with 29 in 1935. The rate per 10,000,000 gallons of gasoline consumed was 21.4 in 1936, decrease of 6 percent from 1935.

Los Angeles Office Wins the U. S. F. & G. Trophy

The southern California department of the United States Fidelity & Guaranty, under the management of H. C. Gillespie at Los Angeles, won the Davis cup for its 1936 record. This is an unusual award of merit for the agency making the best record for production of new business increases in fidelity, burglary and surety coupled with the most favorable loss ratio on all lines. The year before the Philadelphia office won the cup.

Manager Gillespie presented all his employees with bonus checks from the home office. The office winning the Davis cup participates in a cash prize distribution.

a matter of guess work as to how long this will continue but hospitals and physicians are preparing for the worst.

Seeks to Recover Million for Independence Indemnity

INVESTMENT TRUST IS SUED

Inter-relation Between Independence, International Reinsurance and Pennsylvania Company Blamed for Loss

PHILADELPHIA, Feb. 3.—Attorney-General Margiotti has started suit in common pleas court here in an attempt to collect more than \$1,000,000 from the Pennsylvania Company for Insurance on Lives and Granting Annuities. The suit was instituted to protect the interests of approximately 12,000 policy claimants of the defunct Independence Indemnity. In addition the state is a preferred creditor for about \$165,000.

Margiotti contends that a portion of the \$1,000,000 represents securities of the Independence Indemnity which the Pennsylvania Company permitted the International Reinsurance to convert to its own use. The balance represents cash and securities belonging to the Independence Indemnity, which Margiotti contends the Pennsylvania Company improperly appropriated preferentially to pay its own claims, thus depriving creditors of the Independence Indemnity of their rights.

In spite of its name, the Pennsylvania Company is not a life insurance company but an investment trust proposition, operating substantially on the old building and loan plan.

Three-Way Inter-relation

The International Reinsurance in 1931 entered into an agreement to guarantee the payment of liabilities of the Independence Indemnity. The Pennsylvania Company acted as custodian of securities and transfer agent for the Independence Indemnity and held a large amount of securities in connection with collateral loans which the Independence Indemnity had negotiated.

Attorney General Margiotti says this inter-company relationship resulted in the transactions complained against. He charges there was a close link between the three-way inter-company transactions and the action of the former insurance commissioner in permitting the withdrawal of a special deposit of \$665,000 held by the state treasurer for the benefit of policyholders of the Independence Indemnity. The deposit was released at the insistence of International Reinsurance. The suit alleges that a large portion of these securities was used with the acquiescence of the Pennsylvania Company for the benefit of the International Reinsurance Corporation and not to pay creditors of the Independence Indemnity.

Another in Federal Court

The suit is supplemental to a proceeding already instituted in federal court against receivers of the International Reinsurance in an attempt to reclaim the bulk of the assets of the Independence Indemnity which were in the hands of the International Reinsurance at the time of the receivership as a result of the guaranty agreement. The receivers of the International Reinsurance have refused to surrender these assets to the Pennsylvania commissioner as the liquidator of the Independence Indemnity.

The attorney general has appointed P. H. Granger and F. P. Martin, Philadelphia attorneys, special counsel to prosecute the case. They are now representing Commissioner Hunt in the federal court proceedings.

Central Surety Field Men Confer

KANSAS CITY, Feb. 3.—Field men of the Central Surety were in the home office all last week going over plans for 1937 and discussing 1936 results with company officials and department heads.

Text of Decision Is Given on Nebraska Bonding Fund

DIFFICULT TO OVERCOME

Supreme Court's Views on Monopoly Law Likely to Ward Off Constitutional Changes

LINCOLN, NEB., Feb. 3.—Decisive language used by the state supreme court in its opinion on the state monopoly bonding bill, just filed, makes impossible, in the opinion of attorneys who have followed the case, the enactment by the present legislature of another bill on the same subject. Three weeks ago the court announced that it had reached a unanimous decision that the bill was invalid in all respects in order to clear up the question of whether the incoming state treasurer should furnish a private bond. Governor Cochran, chief sponsor of the act, when asked whether he would carry out an intention announced during the campaign that he would ask for submission of a constitutional amendment, said that any further statement by him must wait on his reading of the opinion.

Would Abolish Bonds

The court disposed of the act in these terse words: "The constitution requires all constitutional state officers to give a bond for the faithful performance of official duties, and the legislature is without power to nullify this plain mandatory provision. If the state were to pay the losses, the practical effect would be to abolish bonds to indemnify the state for losses caused by a failure of state officials to perform their duties. On the other hand, if the legislature substitutes for a bond, with an obligor who is required to pay, one without such an obligor, dependent solely from funds when and if collected as premiums for such bonds, it likewise nullifies the constitutional provision. The fund starts insolvent, and one of the first obligations imposed upon it was that of the state treasurer for \$1,000,000. In fact, that bond created the emergency which caused the legislature to pass the bill in what is termed the furtherance of a public purpose. It seems to be elementary that a bond without an obligor is not such a bond as required by the constitution for constitutional state officers."

Delegates Judicial Power

The court also said that the act was an attempt, forbidden by the constitution, by the legislature to delegate judicial powers to the bonding commission. The act conferred on the commission the power to suspend a public officer because in the judgment of the commission his acts jeopardize the fund and to cause removal from office by cancelling his bond. This would be exercising judicial powers. It is no defense to say that the defendant had the right of appeal, because the appellate court has only the power in such cases to overturn a judgment when there has been a clear case of abuse of discretion. The bonding law also violates the constitution which provides impeachment as the only method of removal of constitutional officers.

It is pointed out that the intention of the legislature was that bonds issued by the commission should be cancellable, and if the provisions just referred to were invalidated that purpose would be defeated because there would remain no provision for cancellation for any cause, a vital part of the act.

The court makes it plain that other portions of the law cannot be upheld when it says: "It is definitely stated that other sections of the act which have been assailed are not judicially determined hereby to be valid. Sufficient provisions have been cited to demon-

(CONTINUED ON PAGE 48)

Outlines Unified Auto Departments

Hartford Fire's San Francisco Motor Unit Manager Describes Efficient Plan

HANDLING IS SIMPLIFIED

Though Hazards Differ, Fire and Casualty Carriers' Efforts Can Be Coordinated, M. C. Kennedy Says

While there are admittedly important differences between fundamental principles of underwriting perils of damage to automobiles and underwriting of hazards of third party liabilities arising out of ownership, operation or maintenance of automobiles, existence of these differences is not a barrier to proper coordination, according to M. C. Kennedy, manager automobile department of the Hartford Fire in San Francisco, who gave the annual meeting of the Fire Underwriters Association of the Pacific "A Description of a Coordinated Fire and Casualty Automobile Department."

Competent and intelligent underwriters of physical damage risks have been developed in automobile lines, while the casualty business has done likewise as for liability risks, and these two have been brought together in a coordinated fire and casualty automobile department, he said. This has been accomplished by training individuals to be underwriters of all classes. Such underwriters are then capable of handling any of the general types of automobile risks, whether written separately or jointly.

Allotted by Sections

In such a department the work of underwriting or examining is allotted by territories so that each individual underwriter will handle all of the automobile business emanating from the agencies located within the area assigned. Thus underwriting any automobile risks and handling any endorsements or changes in connection when received from a given agency, will follow the same course and receive the same attention, whether it be fire, bodily injury, or combination of coverage written by the two companies jointly. It is also the custom to follow this same procedure with respect to writing of all classes of fleet, dealer or garage risks, and regardless of their nature, whether a single hazard or a combination, underwriting is done through a process which involves handling only a single copy of the daily report record. That is what is meant by "coordinated automobile fire and casualty underwriting," he said.

Unified Adjusting

Discussing payment and servicing of losses and claims, Mr. Kennedy said that the casualty claims adjusters are made familiar with the necessary forms and practices used in handling fire company losses. In case of accident resulting in a claim for damages on account of bodily injury or property damage, and at the same time resulting in collision damage, such claim and loss can both be promptly handled and disposed of through the services of one competent adjuster.

From a production and agency standpoint, coordination involves many of the same elements present in the consideration of underwriting, and responsibility for production of all classes of automobile business is assigned to the special agents of the casualty company. "These men," he said, "who are well qualified with respect to fire, as well as

(CONTINUED ON PAGE 48)

Accident & Health Week Poster



HE'S FINE!!! . . . sick . . . injured . . . hospital and doctor bills to pay . . . grocery bills and household expense piling up . . . nevertheless, he's fine! Accident and health insurance will pay his bills. Cash when needed most. That's the pleasing message that will flash across the country during Accident & Health Insurance Week next April. The three-color poster will attract attention with its optimistic headline, its simplicity, and the human appeal of the smiling nurse.

Mrs. Chester A. Arthur Tells About Women in Insurance

The "Marylander," house organ of the Maryland Casualty, states that the company has more than 300 women agents. One of them is Mrs. Rowena D. Arthur of Colorado Springs, wife of Chester A. Arthur, son of the 21st president of the United States. Mrs. Arthur in a statement declares that it is more difficult for women to get started than men because for so many years insurance was a business controlled almost exclusively by men. She opened her office 12 years ago and was the first woman agent at Colorado Springs. She prepared herself for service and when customers saw that she was competent they were willing to deal with her.

Automobile Insurance Bills

To date eight states are considering compulsory automobile insurance bills; five others entertaining financial responsibility measures, and two others guest responsibility bills.

England Production Manager

F. J. England, special agent of the Standard Accident, has been promoted to production manager of the New England department in Boston by C. M. Leith, resident vice-president. Mr. England had his first insurance experience in a Lynn, Mass., agency and has since been with the Norwich Union Indemnity and Continental Casualty.

The poster will be distributed extensively and can be imprinted for individual use by any company or agent. Other publicity material being prepared by the general committee for National Accident & Health Insurance Week will utilize the thought expressed by the new poster design. The campaign material was approved at its meeting last week.

The keynote to this year's Accident & Health Week campaign will be that telephonic flash from the nurse: "He's fine!"

De Celles Denounces the Compulsory Insurance Law

Commissioner De Celles of Massachusetts, in an appearance before the insurance committee of the Massachusetts legislature, said he favors repeal of the compulsory automobile insurance act. He expressed the belief that in its present form the law was "valueless to the people" and that after his experience with the act he had arrived at the conclusion that "we either have to strengthen it so that it will accomplish what it was intended to do, or else establish a state fund for compulsory insurance, or repeal it altogether." There are many loopholes in the law, he declared, which make it possible "to evade responsibility to the detriment of the public and to the decent insurance companies that are trying to cooperate."

Mr. De Celles stated it is a peculiar coincidence that if a person has a name that is hard to pronounce it is hard for him to get insurance.

Mr. De Celles spoke in favor of two bills to require an insurer to renew compulsory motor vehicle insurance policies pending an appeal to the state board of automobile insurance appeals.

"Annually there are about 30,000 cars running around looking for insurance protection," said the commissioner. "If the car owners' names are hard to pronounce it is hard for them to get insurance. It is not the function of the commissioner to act as an agent or broker, but we have been doing more business than some of the agencies."

(CONTINUED ON PAGE 48)

Gives Final Word on '37 N. Y. Rates

Pink Refuses to Order Greater Cut Than \$5 in City Schedule

REPLIES TO LA GUARDIA

Cites Objections to Mayor's Demand That State Experience Be Pooled and Single Rate Made

Superintendent Pink of New York has ratified his tentative decision as to 1937 rates for automobile public liability and property damage insurance. In doing so, he issued a statement justifying the new scale against the demand of Mayor La Guardia of New York City that an even greater reduction be made effective.

The new P.L. rate in the congested area of Manhattan, Brooklyn and the Bronx and the suburban areas is \$90, compared with \$95 in 1936. The property damage rate has been reduced by \$1.

At the public hearing on rates, Mayor La Guardia suggested that the experience of the entire state be pooled so as to get a lower general rate. Mr. Pink expressed the opinion that this would completely change the theory of rate making in New York, which has on the whole worked satisfactorily. The present policy, according to Mr. Pink, is to have as many rating areas as is reasonably possible, so that the rates in each area may be based upon the cost of insurance in that particular area. The accepted theory is to assess insofar as possible the cost of insurance in each locality upon that locality. He observed that it would be much simpler to base rating on statewide experience, but he expressed the belief it would not be fair and there would be great opposition to it except in New York City. Pooling the experience would decrease the rate in New York at the expense of upstate citizens.

Average Cost of Claims

The average cost of claims per car varies between \$13.74 in central counties to \$52.65 in New York City.

The mayor also cited statistics as to the number of deaths and accidents in New York City compared with those in other cities and he emphasized the efforts the La Guardia administration is making to minimize ambulance chasing. However, Mr. Pink asserted that he cannot further reduce rates unless the facts and experience reasonably justify it.

Mayor La Guardia's statistics concern largely the ratio of accidents to population. Mr. Pink points out that rates are primarily based upon the actual cost of insurance in each territory. The important elements are number of claims for a given number of cars and the average cost of settling claims. The relation of accidents to population has no direct bearing on the number of claims, the cost of settling claims, or the cost of insurance per car.

Proportion of Cars

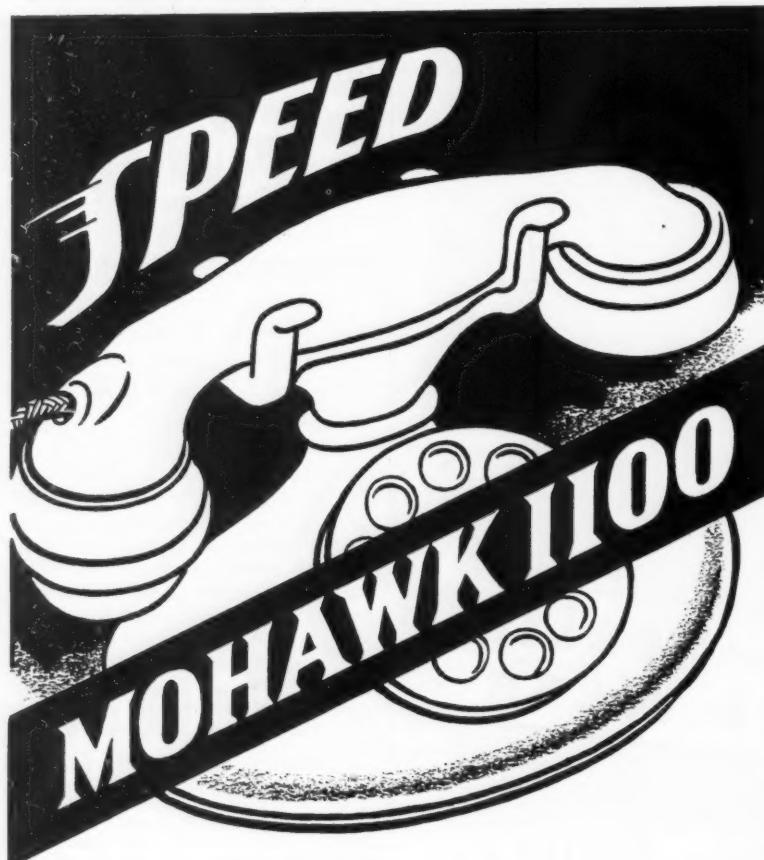
In cities such as New York having a large tenement population there are fewer cars in proportion to population than in smaller cities and in the country.

The average rate for the entire city of New York for 1937 will not be \$90, but \$73.32, according to Mr. Pink.

New York City, he said, has enjoyed several successive reductions in auto rates and if the improvement continues rates will continue downward.

Mr. Pink passed on to the rating organizations and companies the recommendation of the mayor that an accident

(CONTINUED ON PAGE 48)



A CALL will convince you of our fast, reliable and dependable service. We promise you just such exacting treatment in the prompt replacement of insured plate glass.

Your promises to assured of the quickest possible plate glass replacement can be fulfilled if you deal with this organization, the recognized leader in the Chicago plate glass field.

Your service to assured will be improved through our service to you.

★ **UNFAILING SERVICE** ★

AMERICAN GLASS CO.
1030-42 N.BRANCH ST-CHICAGO.

Massachusetts Bonding Promotes Some Officials

FIVE MEN BEING RECOGNIZED

Three Assistant Vice Presidents Elected
—All Are Important in Work of the Company

At the annual meeting of the directors of the Massachusetts Bonding Stephen McLaughlin, who has been connected with the company since 1920, was made assistant vice-president, continuing in charge of the burglary, plate glass and commercial accident and health department. Shortly after Mr. McLaughlin joined the company in 1920 he was transferred to the Chicago branch where he remained for two years in charge of the burglary and plate glass department. On his return to the home office he was placed in charge of the burglary department to which was added later superintendence of plate glass and still later he took charge also of the commercial accident and health. For a time after his war service Mr. McLaughlin was in Central America for the United Fruit Company, returning to take up his position with the Massachusetts Bonding in 1920.

P. N. Counsell Is Advanced

P. M. Counsell, the head of the automobile liability and property damage department, was also elected assistant vice-president continuing in charge of his department. Mr. Counsell was born in England and prior to the time when he came to this country was connected with the Essex & Suffolk Equitable Insurance Society, in England. At that time, and since he has been much interested in the English game of Rugby. He was a member of the Sale Club which won championship for Cheshire county while he was a member. Mr. Counsell came to the United States in April, 1914, and immediately took up a position with the Massachusetts Bonding.

H. J. Aldrich was likewise elected assistant vice-president. He has been with the company for 17 years. His first insurance experience was with the Hartford Accident & Indemnity where he began in 1914 and was an underwriter for four years. He joined the Massachusetts Bonding following his discharge from the navy. For some years past he has been the head of the workmen's compensation and general liability department and will continue in charge.

Hills Assistant Secretary

Roy S. Hills, in charge of the accident and health monthly premium and railroad departments was elected an assistant secretary. He went with the company in 1914 at the time when it took over the business of the United States Health & Accident of Saginaw, Mich. He will continue in charge of the same department which he has managed since 1933.

John Barnaby was elected assistant secretary and assistant treasurer. He has long been engaged in reorganization work, serving first large industrial corporations, such as the American Car & Foundry, the Worthington Pump & Machine, and the Carnegie Steel. For the past 14 years he has been mainly engaged in reorganization work for casualty and surety companies, although he has been called upon at times by his former clients in the industrial field. Mr. Barnaby was born in Canada and chiefly educated there. He has published various books on business management, translated into German, Polish, Russian, and other languages. He has appeared frequently on the lecture platform, and for the past 27 years his headquarters have been in New York City. He first became identified with the Massachusetts Bonding in 1933 when he was engaged to reorganize its various departments. He has now made a permanent connection with the company and moved his family to Cambridge, Mass.

Influenza Epidemic Makes Showing in High Losses

NUMBER OF CLAIMS TRIPLED

Underwriters Fear Further Increases Due to Pneumonia's Attack—Floods Also Counted as Factor

The influenza epidemic which has been sweeping the country in recent weeks is at last beginning to make itself evident in health claims. According to health underwriters, the average period of disability has been about four or five days, which has made the two-week waiting period more important than ever before. Without this clause health losses during January would have been enormous.

As it is, a sufficient number of victims have been ill for long enough periods to file claims under their health policies despite the waiting period. This number has been so great that in quite a few cases companies report that claims filed are just about three times those of a year ago. This does not mean losses are three times as large but merely the number of claims is that much greater. Most are small and it is doubtful whether the increase in losses for January will be very great.

However the epidemic is still raging and underwriters are unable to gauge just how badly they will be hit. At this time, the fear is that many of these cases will turn into pneumonia.

Companies also are looking for quite a number of claims resulting from floods. Lack of communication, together with lack of sufficient time, makes it impossible to know to what extent floods will add to the health loss. Threat of epidemics, together with the acknowledged large number of pneumonia cases, makes companies feel they are certain of actually receiving a considerable number of claims from flood victims.

Appoints A. & H. Week Group

The Accident & Health Club of New York has appointed a committee to further activities during National Accident and Health Week, April 26-30, aiding both companies and brokers and supplementing the activities of the national committee.

H. M. George, U. S. Fidelity & Guaranty, is chairman of the committee. Other members are J. L. Ullman, W. L. Perrin & Son, vice-chairman; R. H. Schroeder, Ocean Accident, secretary; L. M. Farrell, Hartford Accident, treasurer; J. R. Garrett, National Casualty, speakers; E. H. O'Connor, United States Casualty, publicity; C. W. Sabin, Connecticut General Life, arrangements; E. E. Bradley, Globe Indemnity, finances; R. F. Chapman, Royal Indemnity, brokers' activities; I. C. Kick, London & Lancashire, distribution.

WANTED

By leading casualty and surety company, a Cook County Special agent with ability to produce.

ADDRESS F-23, NATIONAL UNDERWRITER

WANTED

Compensation & Liability Underwriter wanted by Chicago office of large Conference Company. Must be experienced.

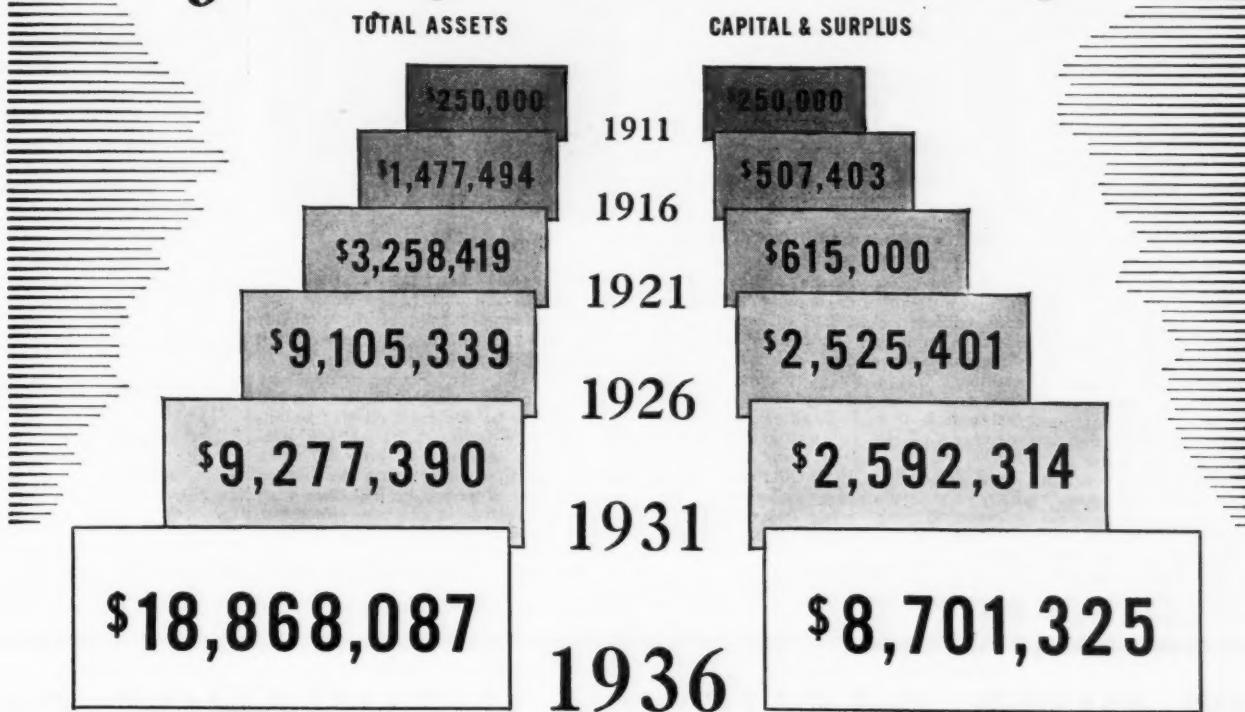
ADDRESS F-29, NATIONAL UNDERWRITER

CASUALTY MAN

Contemplating change. Age 43, background fifteen years experience. Twelve years manager state branch. Excellent record personal production large accounts. Now employed. Thoroughly familiar all phases casualty business, except bonds. Capable supervise underwriting; manage sales or branch office.

ADDRESS F-21, NATIONAL UNDERWRITER

The Progress of a Quarter Century



FINANCIAL STATEMENT, DECEMBER 31, 1936

ASSETS

U. S. Government Bonds*	\$ 7,031,095.00
Corporation Stocks	7,074,894.00
Stock of Subsidiary Fire Insurance Company	1,067,117.04
† Total Investments	\$15,173,106.04
Premiums in course of collection (Less than 90 days old)	1,525,138.82
Cash in Banks and Offices	2,120,028.32
Accrued Interest	49,814.24
Total Admitted Assets	\$18,868,087.42

LIABILITIES

Reserve for Unearned Premiums	\$ 5,170,591.93
Reserve for Liability Claims and Claims Expense (N. Y. Law)	3,692,459.91
Reserve for Other Claims and Claims Expense	381,368.91
Reserve for Commissions (Not Due)	329,393.01
Reserve for Taxes	565,104.89
Reserve for Other Liabilities	27,843.27
Capital Stock	\$2,000,000.00
Surplus	6,701,325.50
Surplus as regards Policyholders	8,701,325.50
Total Liabilities	\$18,868,087.42

* Securities carried at \$826,560.54 in the above statement are deposited for purposes required by law.

† Valuations on basis approved by National Convention of Insurance Commissioners. If actual December 31st, 1936 Market Quotations had been used, the Assets would be \$18,967,872.44, and Policyholders' Surplus \$8,801,110.52.

OLDEST AND LARGEST INSURERS

**AMERICAN
INSURANCE**

Saint Louis, Missouri



OF AUTOMOBILES EXCLUSIVELY

**AUTOMOBILE
COMPANY**

L. A. HARRIS, President

Aero Underwriters Exhibit at New York Aviation Show

STRESSES INSPECTION SERVICE

Value of Plan Already Proven by Definite Savings in Lives and Money

NEW YORK, Feb. 3.—The Aero Insurance Underwriters has a booth at the national aviation show in New York City, stressing its recently established inspection service. Exhibits include pictures of windstorm damage to planes, fire and other ground damage, and an enlarged facsimile of the very complete inspection report which the organization uses in having planes checked over by its inspectors.

The Aero inspection report has attained widespread recognition as the most complete inspection in use anywhere outside of scheduled transport flying. There are now more than 100 engineers on the inspection staff.

Definite Savings Proven

The inspection service has already definitely proven its value in saving lives and dollars. For example, an inspector found that a plane's undercarriage axle was broken and the owner didn't know about it. On another machine, the manufacturer had neglected to install a pulley for the cable controlling the elevator, with the result that the cable was frayed and would shortly have broken, throwing the plane out of control. In another case, a certain model of plane was found to have a weak battery box bracket which could easily break and throw the motor out of commission by cutting off the ignition. This feature has since been corrected by the manufacturer.

The inspection service is also valuable

to the underwriter in showing what can be safely insured and what had better be let alone. Not only do the inspectors learn how good a plane is, but also how long it will probably last before extensive and expensive repairs become necessary, which if neglected, would probably make it highly risky to insure.

Mechanicians Important

It has also been found that it is important to pay very nearly as much attention to the qualifications of airplane mechanics as to the pilots, for although a mechanic may have a Department of Commerce license, he may also lack the experience and seasoning which makes his work reliable and trustworthy.

Inspection service, it has been found, tends to make plane operators insurance-minded, because they realize that they are getting service as well as indemnity with their insurance. Operators of air taxi services make good use of the inspection service to sell the safety idea to their passengers and have found it a big help in getting business. The operator of the largest air taxi service in the United States recently wrote an article in an aviation magazine bringing out this point.

New Southern California Head

LOS ANGELES, Feb. 3.—At the annual meeting of the southern California unit of the casualty acquisition cost conference in Los Angeles, E. F. Holmes, manager Indemnity of North America, was elected chairman of the southern California governing committee, to fill the vacancy created by the resignation of A. I. Zimmerman. Other members of the committee are Leland Mann, Aetna Casualty, and H. C. Gillespie, U. S. Fidelity & Guaranty. Rollo Fay, California state chairman, was present at the meeting and reported on activities of the organization the past year.

J. L. Polk, who has conducted a local agency at Imboden, Ark., for years, has retired.

College Trustee



WADE FETZER

Wade Fetzer, head of W. A. Alexander & Co. of Chicago, one of the outstanding insurance men of the country, widely and well known, has been elected a trustee of Northwestern University of Evanston, Ill. Mr. Fetzer is not new to being a college trustee. He has served as a trustee at Beloit College, Beloit, Wis., for five years. Although Mr. Fetzer is not a college man himself, as he had to start working early in life in order to earn a living, he has been very deeply interested in higher education. One of his main achievements at Beloit was the devising of a plan to finance the building of the freshmen's dormitory. His son, Wade Fetzer, Jr., vice-president of W. A. Alexander & Co.

graduated at Northwestern University in 1925. Mr. Fetzer for the last two or three years has been a member of "Northwestern Associates," composed of prominent citizens who are interested in that university.

Another prominent Chicago insurance man, C. S. Pellet of Critchell, Miller, Whitney & Barbour, is also a trustee of Beloit.

Ask Twenty Millions in Damages

The estates of P. A. Rockefeller and L. P. Cheney, Connecticut industrialist, have been named in a \$20,000,000 damage suit filed in superior court at Bridgeport, Conn., by the National Bondholders Corporation and Aaron Davis and H. K. Burns of Greenwich, Conn. They charge that Percy Rockefeller and Cheney depreciated the assets of the old National Surety by \$15,000,000 through "reckless and unlawful management." It is alleged that Rockefeller and Cheney, who were directors of the old National Surety, agreed to pay \$1,000,000 in dividends in 1931 and 1932, although the company could not afford that amount. The bondholders committee and Davis and Burns declare that they control \$40,000,000 in bonds that were guaranteed by the old company. They charge that Rockefeller permitted the old National Surety to loan the late Governor J. M. Rolph of California \$25,000 in 1930 on his unsecured promissory note, which has never been repaid.

Bragg Again Heads Glass Bureau

Members of the New York Plate Glass Service Bureau write 98.3 percent of the glass insurance in New York state, Manager J. W. Marden reported at the annual meeting. There are 51 members. Aetna Casualty, Commercial Casualty and U. S. F. & G. were elected to the supervising committee. F. H. Bragg, Eagle Indemnity, was reelected chairman of the supervising committee. The bureau was formed in May, 1931.

THE OHIO CASUALTY INSURANCE CO. HAMILTON, OHIO

Financial Statement January 1, 1937

ASSETS

Cash in Bank and Office	\$1,609,379.85
*U. S. Government Bonds	2,157,853.17
*Municipal and Listed Bonds	136,504.94
**Preferred and Common Stocks	503,242.00
Mortgage Loans	128,366.45
Real Estate—Book Value	162,731.78
Premiums in Course of Collection (under 90 days)	665,718.87
Interest Accrued	11,869.88
Reinsurance	5,398.16
Other Ledger Assets	8,700.00
	\$5,389,765.10

LIABILITIES

Special Reserve for Liability Losses	\$ 969,924.06
Reserve for Losses and Claims other than Liability	261,348.00
Estimated Expenses of Investigation and Adjustment of Unpaid Claims	20,000.00
Reserve for Unearned Premiums	2,135,843.37
Reserve for Taxes	214,943.55
Reserve for Unpaid Bills	10,102.48
Reinsurance	32,499.48
Reserve for Contingencies	350,000.00
Security Depreciation Reserve	92,185.22
Capital Stock	\$600,000.00
Surplus	702,918.94
	1,302,918.94
	\$5,389,765.10

Cash and U. S. Government Bonds	\$3,767,233.02
Municipal and Listed Bonds	136,504.94
Preferred and Common Stocks	503,242.00
Mortgage Loans	128,366.45

Percentage to Total Assets	69.9
" " " "	2.5
" " " "	9.3
" " " "	2.4

*Amortized Values for Bonds.

**Market December 31, 1936, for Stocks.

On basis of Actual Market Value for all Securities Policyholders Surplus would be \$1,364,981.94.

EMPLOYERS REINSURANCE CORPORATION

Condensed Statement as of December 31, 1936

ASSETS

CASH IN BANKS AND ON HAND.....	\$ 2,147,350.48
BONDS, AMORTIZED VALUE.....	
United States Government.....	\$3,781,221.50
Canadian Government (Statutory Deposit in Canada).....	95,576.66
State, County and Municipal.....	4,285,626.21
Industrial.....	258,957.78
Railroad.....	200,169.85
TOTAL BONDS.....	8,621,552.00
STOCKS, MARKET VALUE.....	1,491,038.00
TOTAL BONDS AND STOCKS.....	10,112,590.00
MORTGAGE LOANS.....	673,933.43
REAL ESTATE.....	148,715.00
PREMIUMS IN COURSE OF COLLECTION (Under 90 Days).....	356,979.64
INTEREST ACCRUED.....	94,344.20
TOTAL ADMITTED ASSETS.....	\$13,533,912.75

LIABILITIES

LOSS RESERVE: Liability and Compensation (Schedule "P" Basis) .. \$4,210,464.79
 LOSS RESERVE: Other Classes, including Investigation Expense .. 569,535.92

TOTAL LOSS RESERVES.....	\$ 4,780,000.71
RESERVE FOR UNEARNED PREMIUMS.....	3,073,364.51
COMMISSIONS ACCRUED ON PREMIUMS.....	160,526.33
RESERVE FOR CONTINGENT COMMISSIONS.....	128,858.49
RESERVE FOR MISCELLANEOUS BILLS.....	10,000.00
RESERVE FOR STATE AND FEDERAL TAXES.....	197,202.09
AMOUNT HELD FOR REINSURANCE COMPANY.....	348,464.45
VOLUNTARY SPECIAL RESERVE.....	835,496.17
CAPITAL.....	1,500,000.00
SURPLUS.....	2,500,000.00
TOTAL.....	\$13,533,912.75

On the basis of December 31, 1936, market quotations for all bonds and stocks owned, the total admitted assets would be increased to \$14,088,168.08 and the Voluntary Special Reserve to \$1,389,751.50.
 Securities carried at \$1,078,798.07 in the above statement are deposited for purposes required by law.

OFFICERS

E. G. TRIMBLE, President	
HOWARD FLAGG.....Executive Vice-President	
J. B. ROBERTSON.....	Vice-President
..... Vice-President and General Counsel	Vice-President
FRANK P. PROPER.....Vice-President	Secretary
	Treasurer

HOME OFFICE

KANSAS CITY

NEW YORK
 D. StC. Moorhead

CHICAGO
 B. H. Henderson

LOS ANGELES
 Jack Woodhead

SAN FRANCISCO
 T. A. Long

"No Mystery in All Risk P. L."

The following is the second article by President Armstrong Crawford of the Great Lakes Casualty on the merits of all-risk public liability coverage. The author has pushed this contract and has made a special study of it. The first discussion appeared in the issue of Jan. 21.

"There is neither mystery nor profound secrets surrounding all risk public liability. Its necessity is self-evident; its sale merely a question of intelligent presentation; its rate a reasonable premium to produce a fair underwriting profit. These three qualities are not new. They follow the staid old rules applicable to merchandising any commodity.

"The form and the underwriting are new ideas in the casualty business—very simple and practical. The policy automatically covers all liability for any and all countrywide operations except that which arises from the operation of automobiles, aircraft, watercraft, and employees engaged in their duties. The purpose of the form is to give absolute protection for both known and all pos-

sible or probable liability which may arise. In this day and age, it is not correct to underwrite a public liability risk, using only the past accumulated exposure, or the few definite activities being participated in at a given date. Any successful business executive cannot warrant his institution will not change a single atom from its existing routine within a 12 month period. If any man makes such a guarantee, he can hardly qualify for the title of executive. Why should any agent or counsel insist his client purchase a limited policy which is absolutely worthless if the policyholder deviates from the limited activities enumerated. Such a practice can be mildly labeled, "stupid salesmanship, lack of intelligent service and a breach of trust."

Catastrophe Never Waits

"An insurance 'peddler' is one who sells for commission sake, a policy which the buyer thinks he should have because of cheap cost. An insurance 'agent' is a man engaged in the business who should study his clients' need and furnish the necessary form to fully protect him against all hazards, bear-

ing constantly in mind that Old Man Catastrophe has no 'advance' agent. Every morning you tumble out of bed to commence another day's activity, there is something new to be mastered in the casualty business, embracing the sales, claims, financing and underwriting.

"Rate promulgation for all-risk public liability is a very interesting study. Contrary to some popular opinions, it is not predicated upon rates picked out of the air, or using an Aladdin's lamp in conjunction with the manual. Proper rating demands detailed information acquired from such sources as a questionnaire and inspection to develop an intimate acquaintance with the submission. The rate is then produced in proportion to the hazards, spread, supervision, management and territories. All risk coverage is not cheap. It costs money and is worth it. On the other hand, its cost is not prohibitive. From the standpoint of the genuine security which it affords, it is worth many times the rate.

"Underwriting is purely a matter of familiar knowledge of the particular enterprise, the legal trend of the times in the territories where operations are maintained, plus vision to analyze assumption of risk. It is the using (casualty wise) of the old tried and proven underwriting principles which have been

successfully demonstrated in the life and fire business—know the hazard, underwrite the risk when the policy is issued, not after a loss occurs. Surely, there is nothing unsafe, unsound, unworkable or radical about it. For example—every fire insurance organization engages in the same practice. Through its engineering department, it inspects, makes certain recommendations and changes, and then produces a form which is rated.

So, in all risk liability, you accumulate the information first and the rate is the last step. It necessitates the individual underwriting of each submission. With complete knowledge of all operations, full cognizance of the law of liability appertaining brings forth a comprehensive form at an equitable cost. The policy is clear, concise and all-inclusive. It leaves nothing to conjecture, speculation or guess. It is all the name implies. This form is available and in demand. Producers should know it, show it and sell it. I know why more is not sold, and so does every good agent. Ponder the old proverb, 'Honest confession is good for the soul.' You can't paint a successful sales picture to your prospect if you do not know the model itself."

H. B. Bartholf New President

Banker and Hotel Man Succeeds C. H. Barr as President of Illinois National Casualty

SPRINGFIELD, ILL., Feb. 3.—H. B. Bartholf has been elected president of the Illinois National Casualty succeeding Claude H. Barr, who left Springfield several weeks ago for a prolonged visit on the west coast. Mr. Bartholf is president of the St. Nicholas Hotel Corporation and the Springfield Marine Bank. He was formerly vice-president of Illinois National Casualty.

Vice-president and treasurer is Ross L. Weller; secretary and general manager is C. L. Morris; assistant secretary and claim agent, D. G. Burton; and assistant treasurer, M. A. Whalen.

The company had an increase in business of 12½ percent in 1936, and substantial increases in surplus and assets. It operates in Illinois, Indiana, and Iowa, and plans to extend its operations soon to Ohio.

Cleveland Association Elects

CLEVELAND, Feb. 3.—The Cleveland Association of Casualty Underwriters at its annual meeting reelected all officers: John W. Barrett, president; John Parks, vice-president; George Goodman, secretary-treasurer, and C. L. Harris, honorary treasurer.

To Celebrate Fifth Anniversary

The Ohio Association of Casualty & Surety Managers will hold its fifth anniversary party in Columbus Feb. 9. The election of officers will be held at that time.

The series of luncheons and meetings in appreciation of John S. Turn upon his retirement as New York vice-president of the Aetna Life companies, was culminated by a banquet attended by about 100, chiefly executives of casualty companies and organizations.

T. J. Grahame, vice-president of the Globe Indemnity, presided, and Frank J. O'Neill, president of the Royal Indemnity, delivered a characterization of the honor guest. Mr. Turn responded with deep feeling.

The Aetna Life companies gave a farewell dinner for Mr. Turn in New York. President M. B. Brainard and other officers from the head office attended. E. H. Morrill, Jr., assistant general manager in New York, was toastmaster. Talks were given by Mr. Brainard and J. E. Lewis, who is Mr. Turn's successor.

The Gulf of Texas has declared an 8 percent dividend.

BANKERS IDEMNITY INSURANCE COMPANY

Home Office—15 Washington Street, Newark, N. J.

C. W. Bailey, Chairman of the Board
H. P. Jackson, President

FINANCIAL STATEMENT, DECEMBER 31, 1936

ADMITTED ASSETS

*Bonds and Stocks	\$4,058,760.19
†First Mortgages on Real Estate	488,980.03
Real Estate	90,106.73
Cash in Banks and Office	799,373.38
Premiums Outstanding (Not over 3 months due)	905,895.97
Interest Accrued	35,038.56
Other Admitted Assets	4,083.25
	 *\$6,382,238.11

LIABILITIES

Premium Reserve	\$1,600,730.00
Claim Reserve	2,246,207.00
Commissions to become due	179,110.86
Taxes, Expenses, etc. Payable	89,969.49
Voluntary Contingent Reserve	316,220.76
Capital	800,000.00
*Surplus	1,150,000.00
	 \$6,382,238.11

SURPLUS TO POLICYHOLDERS \$1,950,000.00

Note: Securities carried at \$434,386.30 in the above statement are deposited as required by law.

*On the basis of December 31, 1936 actual market quotations for all bonds and stocks owned, this Company's total Admitted Assets would be increased to \$6,501,027.92 and Surplus to \$1,268,789.81.

METROPOLITAN BRANCH OFFICE

90 John Street, New York City
Telephone BE 3-0262
C. E. Anderson, Res. Vice Pres.

ONE OF THE AMERICAN GROUP

†Includes \$253,355.03 in F.H.A. mortgages insured under provisions of the National Housing Act.

OF INTEREST TO YOU?

● Fifty years ago, the world's pioneer in liability insurance, The Employers' Liability Assurance Corporation, Limited, wrote the first liability policy ever written in the United States. We have reproduced, as an interesting historical document for insurance men, that first liability policy which naturally differs considerably from those contracts you sell today.

It is our wish that every insurance agent and broker, every employee connected with any insurance office, who feels that he or she would be interested in owning a copy of this facsimile of the first liability policy written in the United States, should receive a copy. Hundreds have already written in, requesting a copy. Dozens have asked for additional copies.

Perhaps you would find it more interesting than you at present believe. To get your copy please write to the following address or if you prefer, telephone or write to the nearest Branch Office and they will take care of your request.

May we remind you that the world's pioneer in liability insurance, The Employers' Liability Assurance Corporation, Ltd., is one of The Employers' Group companies. The others in the group are The Employers' Fire Insurance Company and the American Employers' Insurance Company and together these three write practically every kind of insurance except life, including fidelity and surety bonds. If you are interested in establishing an agency connection, write to the same address, attention of the Agency and Production Department.



THE EMPLOYERS' GROUP

110 MILK STREET, BOSTON



NEWS OF CASUALTY COMPANIES

Great Liquidity Is Reported

American Automobile Statement Shows \$9,151,124 Cash and U. S. Bonds at End of 1936

The American Automobile closed 1936 with \$18,868,087 admitted assets, including \$2,120,028 cash and \$7,031,095 U. S. government bonds, a high degree of liquidity and more than the total of unearned premium and claim reserves. Other assets items were: Corporation stocks \$7,074,894; stock of subsidiary fire company \$1,067,117, premiums in collection under 90 days \$1,525,132, accrued interest \$49,814.

Liabilities were: Reserves—Unearned premiums \$5,170,591; liability claims and claims expense (New York law) \$3,692,459; other claims and claims expense \$381,368; commissions (not due) \$329,393; taxes \$565,104; other liabilities \$27,843,27; capital stock \$2,000,000; surplus \$6,701,325. Valuation was on convention basis; if actual market quotations Dec. 31, 1936, were used assets would have total \$18,967,872, and surplus \$6,801,110. Securities carried at \$826,560 are statutory deposits in various states.

The American Automobile, which is celebrating its 25th anniversary, started in 1911 with \$250,000 capital and surplus; in 1916 it had \$1,477,494 assets, \$507,403 capital and surplus; 1921, \$3,258,419 assets and \$615,000 capital and surplus; 1926, \$9,105,339 assets and \$2,525,401 capital and surplus; 1931, \$9,277,390 assets and \$2,592,314 capital and surplus. Greater gain in assets and capital and surplus was made in the last five years than in any similar period since organization, assets more than doubling and capital and surplus increasing about 235 percent in the period.

Aetna Life-Aetna Casualty Both Show Splendid Gains

The Aetna Life group shows premium income \$145,366,139, which is \$10,306,926 in excess of that for 1935 as shown here:

	1935	1936	Increase
Aetna Life	\$103,406,720	\$105,642,268	\$ 2,235,548
Aetna Cas.	21,473,722	26,612,991	5,139,269
Automobile	8,504,943	11,285,737	2,780,794
Stand. Fire	1,673,828	1,825,143	151,315
Total	\$135,059,213	\$145,366,139	\$10,306,926

The Aetna Life, after increasing its contingency reserve from \$4,600,000 to \$8,600,000, shows a surplus of \$18,266,430 in addition to its paid-up capital of \$15,000,000, increase \$4,684,695. Total interest and rents received amounted to \$22,142,801. The net rate of interest earned in the life department was 3.72 percent. Claims paid in the accident and liability department amounted to \$10,153,146. There is an underwriting profit of \$793,521 in that department. The assets increased \$44,125,997 and are now \$547,604,514.

Aetna Casualty Figures

The underwriting profit of the Aetna Casualty & Surety Company amounted to \$978,727, and net interest and rents earned \$1,082,751. The premium reserve increased from \$11,515,467 to \$13,247,056. The surplus increased from \$11,045,514 to \$12,443,233. In addition, the contingency reserve has been increased from \$2,000,000 to \$3,050,000. The assets increased from \$39,251,835 to \$47,254,386.

Final Payment in Liquidation

HARRISBURG, PA., Feb. 3.—A final distribution, bringing the total payments to stockholders of the Pennsylvania Surety of Harrisburg, to \$141.35 on each \$100 par value of stock is announced. All claims were settled before the first distribution was made to stockholders. This payment marks the final

winding-up of the company's affairs. It was not insolvent at the time it went into liquidation in 1924. That step was taken voluntarily by the stockholders. The company was organized in 1905 by stockholders of the Harrisburg Trust Company. It did largely a bonding business although it handled some burglary and theft insurance in the latter part of its operations.

Report on Chicago Mutual

The Illinois department has made an examination report of the Chicago Mutual Plate Glass, 1572 North Halsted street, Chicago, as of Nov. 1. Its assets are \$59,862, premium reserve \$4,078, surplus \$52,414, underwriting expense 75.8, income up to Nov. 1, \$8,123, disbursements \$8,094. The report states that it owns stock in a building and loan association which does not comply with the provision in the investment act. Its business is confined to Chicago and vicinity. The premium rates charged are about 10 percent of the replacement cost. A small percentage of the business is written on the 50-50 plan.

Employers Reinsurance Figures

Substantial increases in business and assets and the largest earnings in its history are reported in the annual statement of the Employers Reinsurance. Surplus increased \$720,626 to \$3,335,496. This is on amortized valuation of bonds. Admitted assets are \$13,533,914, increase \$1,874,178. Cash and bonds made up 79.5 percent of assets. Actual market value of bonds and stocks would increase assets and surplus \$624,755. Premiums were \$8,817,363, compared with \$7,830,905 in 1935.

Western Surety's Year

The annual figures of the Western Surety of Sioux Falls, S. D., show assets \$1,474,870, of which \$52,267 is cash, \$912,964 stocks and bonds. Its premium reserve is \$213,200, claim reserve \$203,042, capital \$300,000, voluntary reserve \$155,000, net surplus \$525,021, policyholders surplus \$1,000,021. Its assets increased nearly \$300,000 last year.

Century Indemnity Figures

The Century Indemnity has assets \$9,572,602, increase \$1,001,839. Its underwriting loss was \$80,530 and investment gain \$227,720. There was added \$169,183 to surplus.

New Amsterdam Pays Dividend

The New Amsterdam Casualty, which omitted payment of dividends in 1935 and 1936, has now declared a dividend of 30 cents per share, payable April 1 to stock of record March 1.

Peerless Casualty New Financing

The Peerless Casualty of Keene, N. H., announces a new financing plan by which the present capital will be increased to \$600,000 and surplus of \$500,000. The company will also extend its casualty lines and enter additional new territory. A public offering of 30,000 shares at \$23.50 is being made, and upon sale of the stock a 60 percent stock dividend will be declared. Later it is expected some 1,000 shares of preferred stock will be offered.

May Move to Des Moines

SIOUX CITY, IA., Feb. 3.—The Mid-West Casualty, organized a little over a year ago by interests in the Lewis System, an armored car and detective service of Sioux City, together with the Union Mutual Casualty, formerly of Des Moines, which was purchased by the same interests, plan to remove their home office from Sioux City to Des Moines in March. John W. Kimball, for years with the Iowa department, recently elected secretary of the

Mid-West Casualty, is understood to have secured a controlling interest in the Sioux City companies, and will take them to Des Moines.

Trinity Universal Report

The Trinity Universal reports \$5,003,011 in assets, surplus \$1,254,970, capital \$1,000,000. Market values of bonds and stocks would increase assets and surplus \$93,027. Cash totals, \$197,468; United States government bonds, \$619,724; state, county and municipal bonds, \$938,865; stocks, \$1,533,750. First mortgage loans on real estate total \$409,145. Earned premium reserve is \$1,655,287 and reserves for losses and claims, \$163,018. Special reserve for liability claims is \$601,750.

Central Mutual Claims

The receiver of the Central Mutual of Chicago finds that there are about 1,000 public liability claims against those insured in that defunct company and that there are 623 of such claims in suit. The receiver is not undertaking to defend these actions and the assured are forced to provide substitute attorneys.

CASUALTY STATEMENTS

Inter-Ins. Exch. of Auto. Club, S. Cal.

Assets, \$7,028,210; inc., \$517,601; unearned prem., \$1,324,194; loss res., \$196,289; surplus, \$5,406,330; inc., \$215,871. Experience on principal lines:

Net Prems. Losses Pd.

Auto fire and theft, \$496,540 \$ 117,178

Auto prop. damage, 472,337 143,246

Auto collision, 1,448,650 729,830

Total, \$2,417,528 \$ 990,255

Net Prems. Losses Pd.

Accident & Health, \$ 250,009 \$ 130,140

Non-canc. H. & A., 2,238,701 1,076,826

Total, \$ 2,488,710 \$ 1,206,966

Professional Under., Mich.

Assets, \$56,843; dec., \$1,837; unearned prem., \$14,182; liab. res., \$8,645; capital, \$25,000; surplus, \$8,979; dec., \$4,638. Experience on principal lines:

Net Prems. Losses Pd.

Other liability, \$ 32,184 \$ 7,923

Total, \$ 32,184 \$ 7,923

Net Prems. Losses Pd.

National Cas., Mich.

Assets, \$3,696,679; inc., \$437,851; unearned prem., \$706,343; loss res., \$280,281; liab. res., \$207,298; comp. res., \$121,613; capital, \$750,000; surplus, \$750,000; inc., \$250,000. Experience on principal lines:

Net Prems. Losses Pd.

Accident & health, \$ 2,061,479 \$ 910,506

Auto liability, 238,464 108,029

Other liability, 78,628 16,560

Workmen's comp., 177,648 60,047

Fidelity, 12,421 12,740

Surety, 24,062 2,701

Plate glass, 16,655 7,013

Burglary and theft, 29,592 4,721

Auto prop. damage, 76,286 25,040

Auto collision, 2,694 1,926

Other P. D. and coll., 4,012 251

Total, \$ 2,721,941 \$ 1,150,055

Net Prems. Losses Pd.

Southern Fidelity Mut., N. C.

Assets, \$77,424; dec., \$17,189; unearned prem., \$15,903; loss res., \$1,499; capital, \$37,000; surplus, \$24,286; dec., \$7,051. Experience on principal lines:

Net Prems. Losses Pd.

Plate Glass, \$ 90,296 \$ 36,809

Total, \$ 16,077 \$ 3,187

Decrease in assets due to reduction of guaranty fund account to \$37,000.

Mid-West Auto. Under., Ill.

Assets, \$270,379; inc., \$34,197; unearned prem., \$56,167; loss res., \$30,120; surplus, \$130,421; dec., \$11,672; contingent res., \$40,000; inc., \$6,000. Experience on principal lines:

Net Prems. Losses Pd.

Auto liability, \$ 91,135 \$ 28,473

Auto prop. damage, 47,464 8,826

Auto collision, 37,960 21,624

Other auto, 32,756 4,852

Total, \$ 209,315 \$ 64,852

Net Prems. Losses Pd.

Madison County Mut. Auto., Ill.

Assets, \$224,160; inc., \$25,078; unearned prem., \$32,610; loss res., \$8,121; liab. res., \$38,310; surplus, \$143,712; inc., \$6,264. Experience on principal lines:

Net Prems. Losses Pd.

Other liability, \$ 34,053 \$ 21,012

Auto fire and theft, 21,986 1,966

Auto prop. damage, 15,157 8,415

Auto collision, 46,997 46,181

Total, \$ 118,193 \$ 77,574

The Trinity Universal of Dallas, which discontinued writing general casualty lines in Missouri, is still writing surety bonds.

CONTINENTAL COMPANIES

General Offices: Chicago, Illinois

December 31, 1936

Continental Casualty Company

Financial Statement—December 31, 1936

ASSETS

Cash	\$ 2,379,899.16
United States Gov't Obligations	8,373,244.65*
Other Public Bonds	1,831,600.67*
Railroad, Public Utility and Miscellaneous Bonds	4,711,837.74*
Preferred and Guaranteed Stocks	1,719,138.00*
Other Stocks	4,201,711.00*
Mortgage Loans	400,560.33
Real Estate	1,513,320.74
Premiums in Course of Collection (Not over 90 days past due)	3,281,785.02
Accrued Interest and Rents	149,083.56
Other Assets	441,727.90
Admitted Assets	\$29,003,908.77

LIABILITIES

Unearned Premium Reserve	\$ 8,125,172.24
Pending Claim Reserve	10,780,520.82
Miscellaneous Liabilities	1,745,019.22
General Contingency Reserve	2,700,000.00
Capital	\$1,750,000.00
Surplus	3,903,196.49
Capital and Surplus	5,653,196.49
Total	\$29,003,908.77

Net Premiums Written. \$18,893,261.35
Increase Over 1935 . . . 2,873,274.85

*Eligible bonds amortized. All other bonds and all stocks at Market Quotations as of December 31, 1936.

Continental Assurance Company

Financial Statement—December 31, 1936

ASSETS

Cash	\$ 1,272,758.34
United States Gov't Obligations	4,077,827.90*
Other Public Bonds	1,422,086.47*
Railroad, Public Utility and Miscellaneous Bonds	5,592,815.97*
Preferred and Guaranteed Stocks	1,592,190.00*
Other Stocks	None
Mortgage Loans	4,086,392.13
Policy Loans	3,446,361.20
Real Estate	1,990,942.49
Net Deferred and Uncollected Premiums	1,005,098.88
Accrued Interest	332,138.74
Other Assets	37,920.03
Admitted Assets	\$24,856,532.15

LIABILITIES

Statutory Policy Reserves	\$19,533,628.80
Death Claims Due and Unpaid	None
Pending Claim Reserve	866,978.53
Premiums Paid in Advance	209,161.22
Miscellaneous Liabilities	314,146.81
General Contingency Reserve	500,000.00
Capital	\$1,000,000.00
Surplus	2,432,616.79
Capital and Surplus	3,432,616.79
Total	\$24,856,532.15

Insurance in Force (paid-for basis) \$207,831,020.00
Increase Over 1935 . . . 13,875,274.00

*Eligible bonds amortized. All other bonds and all stocks at Market Quotations as of December 31, 1936.

DIRECTORS

H. A. BEHRENS, Chairman of the Board, <i>Continental Casualty Co.</i> ; President, <i>Continental Assurance Company</i>	FRANK R. ELLIOTT, Vice President, <i>Harris Trust and Savings Bank</i>	ARNOLD B. KELLER, Treasurer, <i>International Harvester Company</i>	E. V. MITCHELL, General Counsel
W. McCORMICK BLAIR <i>Blair, Bonner & Company</i>	H. A. GLASGOW, Vice President, <i>Continental Casualty Company</i>	F. D. LAYTON, President, <i>National Fire Insurance Company of Hartford</i>	R. DOUGLAS STUART, First Vice President, <i>The Quaker Oats Company</i>
WILLARD N. BOYDEN <i>Vice President</i>	CHARLES F. GLORE, <i>Glore, Forgan & Company</i>	C. R. MESSINGER, President, <i>Oliver Farm Equipment Company</i>	E. G. TIMME, Comptroller
M. P. CORNELIUS <i>President, Continental Casualty Company</i>	R. W. HYMAN, <i>Insurance</i>	ROY TUCHBREITER, President, <i>Chain Belt Company</i>	Vice President
W. G. CURTIS <i>President, National Casualty Company</i>			

The Continental Year Book discloses in greater detail the Companies' operations and financial structure. It will be furnished upon request.

Casualty Insurance

Fidelity and Surety Bonds

Life Insurance

Study \$1,000, One Limit Auto Form

(CONTINUED FROM PAGE 35)

the claim, or rather the amount of the settlement, is governed by the policy limit, with a \$1,000 policy the plaintiff is much more likely to be satisfied with a settlement of \$1,000, particularly if the assured is judgment proof. Claim people observe that juries commonly bring in a verdict of \$5,000 because the jurors know that \$5,000 is the standard limit of a liability policy. The plaintiff usually knows the extent of the coverage involved and if he knows that there is only \$1,000 available, he is very likely to adjust his sights to that figure.

Another question in the interrogatory is whether there would be any danger of those now insured under standard limits policies, substituting the new \$1,000 form of protection. Most observers believe that such a switch would not be made frequently. Those now insured, for the most part, are convinced of the value of the protection. Had they desired to save money, they could have

done so at any time by patronizing a cut rate company.

Some believe that making such a contract available would have a beneficial, psychological effect on the sales force. Salesmen always respond to something new and the \$1,000 contract might furnish an incentive for agents to canvass those not insured. It might cause them to make the effort. If making such a policy available would result in causing a large number of agents to make a real soliciting effort, then it would be worth while.

Perhaps such a policy would have an appeal to the driver who regards himself as careful and as unlikely to become involved in an accident for which he was responsible. Such a person might not be attracted by the idea of insurance as catastrophe protection, but he might be interested in a cheaper policy that would take care of nuisance claims.

About two years ago the bureau companies came out with a \$2,500/\$5,000 P.L. policy at a cost less by 10 percent than that for the full limits. This was done primarily for competitive purposes. It received a very poor response and apparently has been very largely ignored by the agents.

FAVORED IN ROCHESTER

ROCHESTER, N. Y., Feb. 3.—On the question whether the proposed \$1,000, one limit auto policy is something which would be beneficial to the business, 10 members of the Rochester Board voted yes, four voted no.

Fear Compulsory Plan as Disease Risk Solution Lags

(CONTINUED FROM PAGE 35)

ment compensation plan similar to that adopted in Indiana two years ago will appear, the compulsion going in effect when any three contributing or "member" companies in the pool that would be created would reject a risk. Wisconsin has a somewhat similar measure.

Commissioner P. J. Angsten of the Illinois industrial commission said that body would not seek power to assign extra hazardous rejected risks. He said formation of an "American Founders Compensation Group" protected by an excess contract in London Lloyds had served somewhat to relieve the situation. This pool of foundrymen covers both compensation and O. D. The trustees are: O. E. Mount, treasurer American Steel Foundries; R. D. Phelps, president Francis & Nygren Foundry; Roger Bronson, Fred S. James & Co.; E. O. Jones, secretary health and hygiene committee, American Foundrymen's Association.

This pool has not cared for all foundrymen, some being unable to get coverage. Mr. Angsten anticipates a similar plan will be worked out in the stone-cutting trade.

Speech-Making Book

The Ronald Press Company, 15 East 26th street, New York City, has issued a book, "Going to Make a Speech," by E. St. Elmo Lewis, who was the first president of the Association of National Advertisers and the first president of the National Association of Furniture Manufacturers. This is a book of 28 chapters dealing with the practical side of making speeches, giving hints and suggestions. The book shows the specific things one can do to bring about success in a talk with a particular audience and how to get the best results. Mr. Lewis says, "Always remember this one fundamental. It does not make any difference what the professional critics say about you—if the audience likes what you do and what you say and how you say it you are a speech maker and the joy of those who make programs." The book costs \$3 and is sold by THE NATIONAL UNDERWRITER.

LEGISLATIVE DIGEST

Pennsylvania—The house has 154 Democratic members and 54 Republicans. The senate has 34 Democrats and 16 Republicans. Therefore, the organizations having to do with legislation say that any bill having the endorsement of the administration can be passed regardless of opposition. Bills opposed by the administration are not likely to pass. Forty-one members of the legislature or 16 percent are licensed to engage in insurance either as agents or brokers. There are 15 members or 6 percent who give their occupations as insurance and real estate and are licensed by the insurance department.

Massachusetts—A bill requiring the licensing of all claim adjusters by the insurance commissioner was given a hearing. Senator Selzo declared the claim adjusters may be held to be practicing illegally in Massachusetts; that they were not beyond "deceit, maligning the character of lawyers and procuring breach of contract between claimants and their attorneys." The senator has asked the attorney-general for a ruling to determine if the claim adjusters are acting illegally. John W. Downs, counsel for the Insurance Federation of Massachusetts, declared the operation of such a bill would create a new racket. Under the guise of licensing by the state public claim adjusters would mislead the public and use their licenses to take more business away from the lawyers by acting for claimants.

Wisconsin—A bill for a state radio system for the detection of crime and for highway safety has again been introduced. The bill provides for a tax of 10 percent upon theft, burglary, robbery, embezzlement premiums, etc. There would also be a tax of 10 percent upon the assured for recoveries under theft, burglary, robbery policies.

LIABILITY

New Jersey—Ward bill requires school boards to insure teachers against liability for accidents they might cause to others in the course of their work.

COMPENSATION

Pennsylvania—House bill 99 liberalizes compensation benefits. It changes, adds to and increases the schedules of compensation and makes them compulsory. It might be construed as making occupational diseases compensable. It is reported throughout Pennsylvania that the thought is being given to making the workmen's compensation fund monopolistic. At present it is competitive. There is also a report going the rounds that the state workmen's compensation fund might be authorized to write automobile insurance. A compulsory automobile bill is likely to be introduced and to have considerable backing. Some leaders of the administration favor such a law.

Kansas—Jent-Vieux bill extends compensation cover to include industrial diseases.

Nebraska—Amendment to compensation law sought to include workers in battery manufacturing plants along with those employed in smelters in the occupational diseases covered by the act.

Michigan—Martin-Smith-Belen occupational disease bill brings occupational ills under the compensation act and eliminates the present requirement that an accidental factor be present. It eliminates present provisions for assumption of compensation risks by private insurance carriers. Qualification for compensation would hinge only on the fact that the disability arose "in the course of employment," the present requirement that it shall also "arise out of employment" being stricken. Occupational diseases would be added to phraseology of the law throughout.

Oklahoma—House bill 72 has been passed by both houses providing that "when an insurance carrier accepts the premium for compensation insurance for employed workmen that it shall be estopped from pleading later that the

workman was not employed within the purview of the workmen's compensation act."

AUTOMOBILE

Iowa—Whitehill bill provides for compulsory automobile liability and property damage insurance.

Oregon—Compulsory automobile insurance introduced.

South Dakota—Grigsby bill makes automobile liability coverage compulsory.

Pennsylvania—Wall bill makes automobile liability and property damage insurance compulsory. It requires all rating bureaus to file rates with the insurance commissioner who would decide if any risk or schedule or merit rating plan is unreasonable, inadequate or unjustly discriminatory among risks of essentially the same hazard.

Ohio—Monahan bill makes automobile liability compulsory. Kasch bill sets up a highway traffic department to pay claims of persons killed or injured in automobile accidents, the funds to be raised through a \$36 license tax on electric and motor vehicles. Another bill permits damage suits for injuries to be filed by bona fide automobile passengers against the automobile driver.

Massachusetts—A bill has been withdrawn from the judiciary committee which would abolish the one-year limit within which, following automobile accidents, hit and run drivers may be sued by victims. It was proposed to extend the time to one year after the owner of the offending car had been determined by an investigator of the state registry of motor vehicles. Opponents of the bill pointed out that insurance companies would be unable to close their books at the end of each year as required by the state commissioner of insurance and would be obliged to set up reserves which they could never close.

SURETY

Ohio—Surety bonds on clerks of boards of education are required in a bill submitted to the house.

Nebraska—The legislature passed without dissent a bill reducing from \$10,000 to \$1,000 the bond required of directors of the various public power and rural electrification projects. This was profitable business because few directors handle any money, and the premium volume in 1936 was \$22,060.

Swisher Ohio Manager

Harold P. Swisher has been appointed Ohio manager of the Columbus agency of the Mutual Benefit Health & Accident and the United Benefit Life with headquarters in Columbus, to succeed H. E. Travis, who was killed in an automobile accident a few days ago. Mr. Swisher has been adjuster for the companies.

Howard S. Bell of Norwalk, Conn., on Feb. 1 completed 30 years as a representative of the Aetna Life companies. Mr. Bell has always specialized in the sale of accident policies.

W. I. Harris of Ottawa, Ill., died last week at the age of 75 from influenza. He was a well known local agent, being a member of the old time firm of J. O. Harris & Son. Mr. Harris was born in Ottawa. His father, Dr. J. O. Harris, for many years was prominent in the city and active in medical and insurance circles. W. I. Harris became a member of the insurance firm in 1884. His father died 30 years ago. He was one of the few remaining business men in Ottawa who used a bicycle as the regular means of transportation.

E. L. Wharton has bought an interest in the F. A. Benson agency at Excelsior Springs, Mo., and the office will be known as the Benson & Wharton agency. Mr. Benson has been a local agent for 25 years.

DIRECTORY CERTIFIED PUBLIC ACCOUNTANTS

ILLINOIS

S. ALEXANDER BELL & CO.
Certified Public Accountants
Specializing in Insurance Accounting,
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88 South La Salle Street, Chicago, Illinois
Telephone: Central 3518

WINZER & CO.
CERTIFIED PUBLIC ACCOUNTANTS
Commercial Accounting and Income Tax Counsel
Insurance Accounting
Fire, Casualty, Life
88 SOUTH LA SALLE STREET
CHICAGO, ILL.
Phone FRA 6085

KANSAS

SPURRIER & WOOD
811 Beacon Building
Wichita, Kansas
Certified Public Accountants
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Suite 902, Fidelity Building
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James S. Matteson, C. P. A. (Minn. & Wis.)

GOODING AUDIT COMPANY
PUBLIC ACCOUNTANTS
Member American Society
Audits-Systems-Tax Service
COLUMBIA, S. C.

WISCONSIN

FREDERICK S. STAPLES & CO.
Certified Public Accountants
First Wisconsin National Bank Bldg.
Milwaukee, Wisconsin

Sound Adviser



E. A. SMITH, JR., Salt Lake City

Commissioner Smith of Utah in his address before the Fire Underwriters Association of the Pacific at its annual meeting in San Francisco this week again demonstrated his logic and sound judgment by sage counsel he gave.

Study Insurance Angles in U. S. Agencies and Bureaus

(CONTINUED FROM PAGE 10)

contacts and protect agency interests, but the question of special rates and forms to suit specific conditions naturally is a matter for the companies to undertake.

Only prompt action, they said, will prevent any number of the governmental bureaus from setting up insurance funds of their own, or refusing to carry any insurance.

The interview with Mr. Best was a lengthy one, and it was believed that some progress had been made. Dissatisfaction with the Best method of using the same symbols for stock and mutual companies, instead of setting up a measure of relative security behind their policies, has been rife in both company and agency ranks for some time. It came in for vigorous protest at the meeting of the National association's executive committee and state officers at the Pittsburgh convention last fall.

At that time it was agreed that instead of adopting a formal resolution the officers should undertake to negotiate with Mr. Best in an informal way. In the conference held, Mr. Best explained at length his method of rating companies, and expressed his willingness to consider any suggestions that would produce a better reporting method either by including additional factors or eliminating any factor now used, provided he was convinced any such change would be equitable and fair. He expects to incorporate in his next reports certain explanatory features which he believed would be helpful to a better understanding of the system he employs.

Study of Gasoline Hazard in Flooded Areas Is Made

(CONTINUED FROM PAGE 10)

tanks used in bulk stations must be upright, as a prone tank will not stand the stress so well, due to the great weight of the fluid. In upright position the tank is more subject to being displaced, as the center of gravity is higher.

According to underwriters although refineries have been subject to this flotation hazard in floods for many years, comparatively little loss has resulted. There is scarcely a city or town in the

country situated near a river that does not present such a hazard. The bulk stations generally are located on a railway where tank cars may be spotted on side tracks, and in river towns these rails usually run along the river banks.

Two examples of heavy loss due to this hazard were the Waverly Oil Works' \$531,000 fire March 18, 1936, near Pittsburgh, and the Moore Drop Forge Company's \$500,000 loss March 9, 1936, at Springfield, Mass. These losses occurred in the spring floods last year, the latter one identical to the big industrial loss at Cincinnati.

At the Waverly plant, it was said, officials did not shut down the plant as flood waters approached. Water reached the stills and boilers, causing explosions which set fire to the plant. Flood waters made the plant inaccessible for fire fighting and fire spread to adjoining foundry plants, there having been a great deal of floating oil and gasoline.

At Springfield, Mass., the waters carried oil from underground tanks to forge furnaces where it ignited. Sprinklers were put out of commission in the fire area by buckling of metal supports, but helped to save the main plant building. Flood waters made fire fighting very difficult.

It is believed solution of this great hazard, which probably exists in every city, town and village in the country conceivably subject to floods, rests with legislators and city councils, rather than with underwriters and engineers. In the interest of public safety, underwriters say, regulations could be drafted to minimize the hazard by prescribing mandatory specifications for gasoline and oil storage and refining. Very probably this will not be done, underwriters say, for the public is quick to forget perils and catastrophes once past, and legislation requiring change of oil companies methods in a brief period might be considered burdensome and confiscatory. If, however, the change were permitted to be done over a long period the hazard would continue to exist for a long time. Undoubtedly the National Board, National Fire Protection Association and other fire organizations will study the problem from all angles and formulate a policy to pursue, either technical, legislative, or both.

Companies Writing Long Haul Truckers Listed

In view of the current interest in the insurance of long haul truckers, THE NATIONAL UNDERWRITER presents herewith a list of the principal companies that have facilities for handling the casualty coverages on these risks:

American Fidelity & Casualty, Richmond, Va.

Associated Indemnity, San Francisco. Atlantic Casualty, Newark.

Auto Mutual Indemnity, New York.

Autoist Mutual, Chicago.

Builders & Manufacturers Mutual Casualty, Chicago.

Casualty Reciprocal Exchange, Kansas City.

Central Mutual Auto, Detroit.

Commercial Casualty.

Erie Insurance Exchange, Erie, Pa.

First Reinsurance, Hartford.

Franklin Mutual, Chicago.

Globe Indemnity, New York.

Hartford Accident.

Highway Insurance Underwriters, Austin, Tex.

Lloyds America, San Antonio.

National Mutual Casualty & Surety, Washington, D. C.

National Standard, Houston.

Pennsylvania Casualty, Lancaster, Pa.

Rhode Island Mutual Liability, Providence.

Royal Indemnity.

Service Mutual Liability, Boston.

Tower Mutual, Cincinnati.

Travelers Mutual Casualty, Des Moines.

Truck Insurance Exchange, Los Angeles.

TODAY'S ONLY REMEDY FOR TOMORROW'S NEWBORN HAZARD

ALL RISK
PUBLIC LIABILITY
INSURANCE

Great Lakes Casualty Company
Detroit, Michigan



HOME OF "SERVICE THAT EXCELS"

General Accident



FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.

FREDERICK RICHARDSON, Managing Director

JAMES F. MITCHELL, United States Manager

GENERAL BUILDING - 4TH & WALNUT STS.

PHILADELPHIA

CHANGES IN CASUALTY FIELD

Blackwell Takes Atlanta Post

Transferred from Northern Ohio by Employers Group—Bennett Goes to Cleveland

BOSTON, Feb. 3.—The Employers Liability group has appointed Hubert L. Blackwell, formerly resident manager for northern Ohio, as resident manager of the southern department at Atlanta, succeeding the late L. P. McRae. Harold B. Bennett, formerly agency supervisor in Syracuse, succeeds Mr. Blackwell at Cleveland as resident manager of the northern Ohio department.

Mr. Blackwell joined the southern department of the Employers in 1925. He was transferred in 1931 to Dallas, and in 1932 was appointed resident manager in Cleveland. Mr. Bennett started at Buffalo in 1928 as a special agent. He served as manager of the western New York service department, later being transferred to Syracuse. Both have been at the Boston office the past week, arranging the details of their new assignments.

Lang Becomes Independent Adjuster in Los Angeles

J. L. Lang, for the past five years in the home office claim department of Pacific Mutual Life, has opened an independent adjustment office at 315 West Ninth street, Los Angeles. This new adjustment firm will specialize in casualty and accident and health claim work. In addition it will take in other lines such as fire, motor truck cargo, all-risk, auto fire and all liability lines.

Mr. Lang has had a well-rounded experience in all lines. His insurance career started in California with the Pacific Board. Later he was southern California special agent of the Providence Washington. He left special agency work to become assistant secretary of the old Nevada Fire. His claim experience began with the home office of Pacific Employers of Los Angeles. After leaving that company he entered the claim department of Pacific Mutual Life.

Mr. Lang's office will be closely associated with the independent firm of William E. Severance, who is a member of the Casualty Adjusters Association. Mr. Severance will give attention to such lines as motor truck cargo, all-risk and auto fire. He has been active as a company adjuster, having served the Eureka Casualty, Union Automobile and International Indemnity. Since 1928 he has operated as an independent adjuster. The association of these two offices will make possible a complete adjustment service in southern California.

O'Connell to C. P. A. Company

LANSING, MICH., Feb. 3.—Walter O'Connell, actuary of the Michigan department, has resigned to accept an executive position with the C. P. A. Company, Detroit, a stock carrier which specializes in insuring railroad men against loss of jobs. Vice-president R. A. Palmer, a former Michigan deputy commissioner, died recently and it is presumed that Mr. O'Connell will take over many of his duties. Mr. O'Connell has been department actuary about four months, was assistant actuary about four years and has been with the department, all of the time in the actuarial division, for nine years.

Opens New St. Louis Office

The Hardware Mutual Casualty, Stevens Point, Wis., has established a complete underwriting office in St. Louis, Mo., on Feb. 1, it has announced. The office, in the Southwestern Bell Telephone building, is under the direc-

tion of M. J. Myers as department manager. It will service business in Missouri, Nebraska, Iowa, Kansas and Wyoming.

L. G. Smith Is Advanced

L. G. Smith, who until a short time ago had been connected with the National Surety in Oklahoma for six years, has been made assistant director of agencies of the Central Surety of Kansas City. He has been connected with the Central Surety for just a short time.

Goes with Northern Adjustment

W. V. O'Neill, who for seven years was connected with the central east claim department of the Hardware Mutual Casualty in Chicago, is now with the Northern Adjustment Company, Rockford, Ill.

Oregon Business Transferred

The Washington General Agency's Portland, Ore., office announces the transfer of the Ohio Casualty business in Oregon to the Metzger-Parker General Agency there.

Joins Standard Accident

Joseph Vollkommer, Jr., has joined the Standard Accident in New York City as special agent. For the past six years he has been with the J. F. Nubel agency.

Outlines Unified Auto Departments

(CONTINUED FROM PAGE 37)

casualty automobile business, become, insofar as the automobile department is concerned, combination special agents. They are constantly at work in the interests of both the fire and casualty companies, either jointly or separately, as the case may be, with respect to any agency."

Accounting Simplified

In conduct of accounting practices, as they are followed in connection with automobile business, there is no distinction made between handling and billing a premium for a single hazard risk written in either the fire or the casualty company and the handling of an account representing a policy written to include all forms of coverage from comprehensive to a drive-other-cars endorsement for bodily injury and property damage liability. There is also no distinction made between handling an account representing both the fire and casualty companies jointly. There is only one monthly statement of automobile premiums, even though the agency involved might have placed during the month separate casualty, separate fire or risks covered under combination contracts. This coordination of accounting practices presupposes and in fact requires existence of a system of statistical recording and indexing, which will properly lead up to and support the accounting plan.

It is possible through these underwriting and recording practices to handle a record of a combination two-company line in the same manner as a single line. This is true, he said, whether the particular line is written to cover a single car or large fleet risk, even if the latter is eligible and handled according to the fleet rating and experience plans of the two governing rating organizations. While it is obviously not possible to use such operations as to record automobile business of the fire and the casualty carriers under one statistical plan, it is nevertheless true that the separate plans have been synchronized so a record of a combination risk may be coded and passed through the statistical and recording department with a minimum amount of duplication.

Gives Final Word on '37 N. Y. Rates

(CONTINUED FROM PAGE 37)

patrol be established for obtaining first hand details of accidents. Mr. Pink said he agrees with the mayor that the companies should cooperate with the city in the campaign against ambulance chasing and fake claims, by paying just claims without setting up highly technical defenses and by fighting fraudulent claims, even when it would be cheaper to settle for a small amount.

Mr. Pink said that part of the ambulance chasing and of the fake claims record is due to the fact that many companies settle unfounded claims for a small amount just to get rid of them.

The problems of Ithaca, Elmira and Saratoga districts are being studied, but Mr. Pink stated that he is unable now to reduce rates in those territories.

Mr. Pink said that this year every effort should be made by the rating organization to present the statistics for 1936 to the department prior to Sept. 1, 1937. If this is done, the department, he said, should be able to complete its study and pass on the revised rates by the end of September.

De Celles Denounces the Compulsory Insurance Law

(CONTINUED FROM PAGE 37)

A score or more of the companies, handling about 75 percent of the business, have cooperated with the department, declared the commissioner, but some 40 companies, writing one quarter of the business, will not cooperate and they are just enough to spoil the plan. "It is small business," said the commissioner, "when a company will try to force questionable risks into a competitive company. If an insured has had a bad accident, the risk should be canceled at the time. The company should not wait until the end of the year and then refuse to renew."

Promoters Are Busy

"Every year," said the commissioner, "I have had applications from numerous groups of incompetents who have sought to form insurance companies. I have probably a score of such applications now before me. Our trouble is what to do with the borderline risks. I don't blame the companies. The law is contrary to the fundamental principle of insurance as it doesn't permit underwriting and we should find some way to permit and enforce sound underwriting under the act."

Asked as to what percentage of appeals made to the board of appeals under the act were sustained, the commissioner stated the results were about 50-50, the companies being sustained in about half the cases.

The proposed measure was declared unconstitutional, and a supreme court decision quoted to that effect, by Counsel John W. Downs of the Insurance Federation of Massachusetts, who opposed the bill. "The legislature has gone to the very verge of its power in setting up the appeal board," declared Mr. Downs.

Text of Decision Is Given on Nebraska Bonding Fund

(CONTINUED FROM PAGE 36)

strate that the act is invalid because it contravenes constitutional provisions, but it is not to be understood to be the only respects in which the act may violate constitutional provisions. It is sufficient, however, for a proper decision of the case. A court is neither required nor permitted to do more."

The court holds that there is so little similarity between the Nebraska act and the North Dakota act that the decision of the supreme court of the latter state in upholding its act can be

Insurers Reporting Fraud Have No Reason to Fear

Assurance was given by Bernard Botstein, in charge of the Accident Fraud Bureau in New York City, that insurance company representatives who submit information to the bureau need have no fear of being prosecuted for false arrest and malicious prosecution. He gave that assurance in an address before a meeting of the Accident & Health Club of New York.

"If they submit in good faith certain facts to my bureau," he declared, "and if we decide to investigate or prosecute, I undertake to fully relieve them of all responsibility."

Insurance company representatives are not required to sign complaints, he declared. The bureau proceeds through the grand jury. The insurance man is usually just a witness subpoenaed by the district attorney. He is usually called merely to prove coverage. If the indictment is voted, no arrest is made until a bench warrant has been issued, following the filing of the indictment.

The bureau is seeking to proceed in an efficacious way, he declared. It is not seeking to build up a record merely by filing a large number of indictments and information. Convictions are what is desired. Since the investigation started, 170 charges have been filed. Two-thirds of those have been disposed of and of those dispositions 90 percent have resulted in conviction.

Mr. Botstein said that insurers remotely located as respects New York should take pains to see that they are competently represented when claims are made against them in New York.

taken as authority. The North Dakota act does not cover bonding of state officers; it permits bonds to be privately written, and it contains limits that are absent in the Nebraska enactment.

No move has yet been made by Governor Cochran to secure introduction of another state monopoly bonding bill and no member has shown enough interest in the matter to introduce one of his own. Two weeks remain in which bills may be filed, while the governor has the same length of time in which to ask the supreme court for a rehearing. Meanwhile a bill has been introduced to require all county officers to give surety company bonds with the counties paying the premiums. A hands-off attitude is being taken by the bonding company representatives on the scene. Since the bonding companies came to the rescue in the matter of the state treasurer's bond a better feeling has prevailed.

K. C. Casualty-Surety Group Elects Fisher as President

KANSAS CITY, Feb. 3.—Gordon Fisher, branch manager of the U. S. F. & G., has been elected president of the Casualty & Surety Underwriters Association, succeeding R. D. McMillen of the Charles D. Williams agency.

Moulton Green of R. B. Jones & Sons, was named first vice-president; J. Ives Barton, manager Maryland Casualty, second vice-president, and Baxter C. Brown, manager Fidelity & Deposit, treasurer. Mr. McMillen heads the executive committee. Other members are Frank McGee, Thomas McGee & Sons; W. J. Welsh, Mann, Barnum, Kerdoff & Welsh; R. J. Hawley, Travelers, and H. J. Hudson, Central Surety.

Safety Speaker in Boston

BOSTON, Feb. 3.—Carl Goodwin of the Massachusetts Safety Council will speak on "Accident Prevention Among Large Fleet Risks" at the dinner meeting of the Association of Casualty Underwriters of Boston tomorrow night. President E. L. Bouchie will preside.

Remove Mystery in Public Relations

(CONTINUED FROM PAGE 5)

to a higher level or nearer the average of a few years ago. "Many public officials," he said, "would like to have us believe that the ratio which companies have recently enjoyed is a permanent fixture, due entirely to improved construction, better merchants and an improvement in the morale of our people, yet we in the insurance business have recognized that the law of average is bound to prevail. Increase in the market value of securities will no doubt give company officials considerable concern, for, regardless of loss experience, the ever-watchful eye of public officials will be fixed on the profit column and demand will be made for further rate reductions in many states and municipalities. No doubt some revision will be quite in order in certain localities, yet caution and very careful consideration must be exercised in granting further concessions, for rates have been on the decrease during the past several years, and while we must admit that much of it has been necessary because of improved conditions, on the other hand does not a large portion of the blame rest on our shoulders through yielding to pressure of competition more imaginary than real between companies, agents and brokers?"

Need for Education

The need for proper education was stressed by Mr. Simpson. Too often the failure of the public to spend reasonable sums for proper insurance is due to the lack of proper service and salesmanship. "A large number of company men and many prominent agents have demonstrated that our product can be sold, but far too many seem to have an inferiority complex when it comes to meeting the public and trying to sell them proper insurance protection. They approach a client much as one asking a favor, and, either through lack of proper knowledge or a feeling they are asking for a gift, create the wrong impression. Suppose we try a new form of attack and go about our work determined to prove to our prospect that the product we have to sell is not only something he needs but that we are the ones to furnish him the proper service for the protection he requires. The time has come to rid our business of the unfit and uninformed." The importance of stock fire insurance in the business affairs of the nation should be an inspiration to gain more knowledge, he said, which in turn would provide confidence and defense against all attacks.

Must Recognize Dangers

"It is my firm conviction that we, as representatives of stock fire insurance interests, are not giving proper attention to the dangers that confront us," declared Mr. Simpson. "A serious obligation rests upon each of us, for it is our business and not the public that is on trial. If we are to continue directing our own affairs, rather than turn them over to the politician, we must keep informed and prepared to see that the public receives proper service. We must not forget that the things we take for granted are the things for which we no longer fight and that when a business, a government or an individual becomes indifferent to its freedom, danger confronts it."

Unwarranted attacks can best be stopped through a better understanding among the people but, Mr. Simpson said: "To do this we must prove to them by our acts as well as speech that our system is sound and operated in the best interests of the public. We cannot hope for success in the future through any Rip Van Winkle attitude, but must be prepared through study and proper application of the knowledge gained thereby to defend and improve it. Added responsibilities must be assumed and the people enlightened regarding our business. We have a perfect right to be proud of it."

Give Board Officers More Authority, H. W. Nason Asks

(CONTINUED FROM PAGE 5)

"It is quite plain that the producer and company are coming into a new era of trust and understanding with the agent this time bearing the olive branch. I urge the Pacific Board to take a lead in this. If it is to be through legislation, combine in a united front and be able thereby to gain something in return." Thus, he said, can the organized companies have the assurance that any new tools developed for the use of the agents and brokers will not be turned against the makers and used only to further a selfish competition.

Intelligent Attitudes Needed

"Insurance will have to reckon for some time to come with the results of the past few years," warned Mr. Nason. "It is dealing with an intelligent, well educated and insurance-minded public." He warned too of the excessive competition developed by the depression, with the "name your own price" salesmen pitting one class of company against the other which has caused rate schedules to be "mangled, stripped and often in panic thrown into the breach under the guise of relief." Insurance analysts must be reckoned with. "If we think because our loss ratio shows active signs of catching up with what may turn out to be our mistakes and if, too, we stiffen our backbones and sanctify our present tariffs, that this will of itself solve our future, we are, I fear, very much mistaken. We must concentrate on developing ways and means of winning and retaining the good will of the insurance buying public, of developing new sources of income, new forms of coverage, not defensively but progressively and stop delaying our development by our 'stand pat' policy. If we will hammer home to our agents and they in turn will adopt as their slogan 'build up to qualify and not down to price' and if member companies through the Pacific Board will spread the gospel and adopt as their slogan 'bring us your problems—we have the facilities to help you,' what a forward step it would be in the service of the insurance business."

Eyes Rotation System

Regarding the board's numerous committees and the rotation system, Mr. Nason said, "No one questions the administrative ability of our company executives but when the 'rotation system' is allowed to operate too far it is quite possible to lose sight of essential qualifications and oft-times ability to lead and direct our mechanical operations is lacking. Why so many committees anyway? We criticise and condemn expanding bureaucracy on the part of government, but we may also be guilty of much the same thing in the conduct of the rate and form making end of our business—the 'mechanical side.'"

What About Patronage?

"Must we," he asked, "have many committees in order that company executives may be so recognized and honored? Is political patronage essential to government and fire insurance alike? Have we no confidence in the employees of the board? Can we expect these men to assume responsibility without the authority that should and must go with it? Why train men for years in schedule rating work, in the preparation of fair and reasonable rules, in the compilation of tariffs, and the administration of board functions and then set up a whole host of committees to make the decisions that these men could make equally as well and far more quickly? To come straight to the point, why delay our forward passes? Why permit our opponents to analyze each play and not only cover but smother the pass receiver? Does delay, which produces irritation, reduce competition? Is it all controllable?"

"I believe," Mr. Nason said, "we have men in the Pacific Board in salaried of-

THIRTY-SEVENTH ANNUAL

FINANCIAL STATEMENT of the WESTERN SURETY COMPANY Sioux Falls, South Dakota

December 31, 1936

Dan Kirby, President.

ASSETS

Cash	\$ 62,266.70
Stocks and Bonds (Market)	912,963.96
Collateral Loans	2,000.00
First Mortgage Real Estate Loans	141,067.86
Real Estate	\$ 118,298.52
Premiums in Course of Collection (Under 90 Days)	278,393.78
Accrued Interest on Investments	69,074.18
	9,103.50
	\$ 1,474,869.98

LIABILITIES

Reserve for Unearned Premiums	\$ 213,200.18
Reserve for Anticipated Losses and Claims	203,041.89
Reserve for Taxes and Other Liabilities	58,606.58
Policyholders' Surplus—	\$ 474,848.65
Capital Stock	300,000.00
Surplus	525,021.33
Voluntary Reserve	175,000.00
	1,000,021.33
	\$ 1,474,869.98

GROWTH OF ASSETS SINCE INCORPORATED IN 1900:

1900	None
1905	\$ 34,021.52
1910	156,725.05
1915	190,508.50
1920	431,176.13
1925	737,661.59
1930	871,243.41
1935	1,178,466.27
1936	1,474,369.38

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AMERICAN Re-insurance Co.

Robert C. Ream, President

99 John Street New York

DECEMBER 31st, 1936

CAPITAL	\$ 1,000,000.00
Surplus	6,123,137.74
Voluntary Catastrophe Reserve	500,000.00
Reserve for Losses	3,916,522.75
All Other Liabilities	1,882,235.22
TOTAL ASSETS	13,421,895.71

NOTE: Securities carried at \$336,887.50 in the above statement are deposited as required by law.

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C. W. FRENCH, PRESIDENT

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ficial positions able to make those decisions. If proven to the contrary there is a simple remedy. The irony of it all is that in most cases the men in charge of the board are held to blame by the majority of producers as holding to a narrow-minded and technical position and unfortunately those who know the real answer often prefer not to correct the erroneous impression. Supervision, particularly of the insurance business is an admitted necessity—interference is directly to the contrary. Why can't these two be segregated in the operation of the board as is practiced in the conduct of our individual offices? Why should we not put the board first for a change? Not first in that individual members should strive any the less to promote their own interest or restrict that keen, but fair competition which stimulates us all to better service, but first in the eyes of the public for the good of the business as a whole.

Promote Board Service

"Why not permit and encourage the board management to contact the public as much as possible. Invite the policyholders to make known their changing needs and give them in return evidence of a real and honest desire to work out their problems on a sound underwriting basis. We all know that the board serves the public in many ways that are not recognized, the public taking it for granted, unfortunately, that most of the service is rendered in behalf of the insurance company. Might we not pattern and profit by the experience of some of those businesses that have felt the heavy hand of legislation and that are now ever conscious in all of their activities of the man who pays the bill?"

Initiative in Modernization of Contracts Is Proposed

(CONTINUED FROM PAGE 5)

and agents. To be sure we have taken some steps toward the adoption of more comprehensive forms of coverage during recent years, but to a very large extent, those changes have been the result of competitive demand and not the result of our initiative in recognizing and in meeting public demand.

"Let us join in an intelligent analysis of present day insurance requirement of modern business; let us develop contact with those organized groups representing the various subdivisions of trade and profession and evidence a sympathetic interest in their insurance problems; and let us take the initiative in the development of those insurance contracts that will best meet their requirements.

"We must make certain that our cost factors are predicated on rating schedules that can be justified. The public,

quite willing to pay a fair price for insurance that meets requirements, demands of us that we justify the rates on which we develop our cost of protection and services. Rates must be based on an intelligently developed loss experience of the various classifications of business plus a reasonable acquisition cost and a fair profit, having in mind at all times that necessary financial stability to properly protect business. If there be inconsistencies in our present methods of rating, those inconsistencies must be eliminated. Any departure from this procedure in the development of our cost factors cannot be justified—must not be tolerated."

A higher standard of salesmanship is needed, said Mr. Appleton. "The public is demanding more intelligent representation by the business of insurance—and this is our most important problem. We can develop contracts of insurance that adequately meet requirements and promulgate rates that can be justified, but without intelligent presentation to the insuring public we cannot possibly hope for success in fulfillment of our obligation to the insuring public."

Commissioner Is Just Average Man

(CONTINUED FROM PAGE 4)

public, but at the same time would prove a decided stimulant to company business. "Such a campaign, intelligently conducted, would in my opinion prove of tremendous advertising value."

It is the duty of the commissioner, he said, to encourage, advise and protect the public, urging that the insurance departments be used more by the public to the end that there may be a better understanding of insurance coverage, also a better insight into whether or not the company with which they contemplate dealing is a reliable, authorized company.

Urge Qualified Agents

Further, he said, it is the duty of the commissioner to supervise, protect and encourage the agent. He made a plea for better qualification of agents.

"We are definitely on the threshold of a new era of selling," he said. "The day of the butcher and the baker and the candlestick maker in the insurance business is rapidly passing. The day of the qualified agent is here. All of us should bend our every effort towards the elimination of the unfit from this great business of ours. Misrepresentation, trickery, half-truths and destructive hints about other companies should no longer be tolerated."

"In this most important phase of the business, the agent should play an important part. He should not associate himself with any company that is care-

less in its selection of representatives. Let the agent be known by the company he keeps and let the company keep only the agent who offers its coverage and writes its business soundly and correctly. Companies could solve this problem immediately if they would but exercise care in their selection of agents." He expressed himself strongly in favor of agency qualification laws.

Attitude on Legislation

He described adjusters as "another source of joy or sorrow to the insurance department."

"Like the agent, he is a man who makes direct contact with the public and the public largely forms its opinion of insurance because of the manner in which he functions. An intelligent, tactful, impartial and competent adjuster is a pearl of great price."

Concerning legislation he said: "It is the duty of the commissioner to make such recommendations as he feels are for the benefit of all concerned in the business. In the matter of insurance law there should be as little regulation of the business as possible. It is my opinion that the laws of any state should not be so written as to interfere with the functions of honest private business. But unfortunately there are companies, masquerading under the name of insurance, which seek unfair advantage. To protect the unsuspecting public against the practices of such companies, regulatory laws must be enacted. After all, most of the laws that we now have on our statute books have been put there to correct conditions that experience has shown to be faulty. This should give us the key to future legislation. It is possible so to conduct ourselves that adverse legislation can gain no headway."

Volume Not Main Consideration

In conclusion Commissioner Smith warned about the desire for business, pointing out that it should not override the principle of safety. "Too often," he said, "the success of a company is measured by volume of production. Production is not only desirable but necessary for continued success, but I wonder if the desire for more and more business on the books has not taken us far afield. Success should be measured by the volume of good business written and by that I mean business written that has a good rate of persistency and a satisfactory loss ratio. The day of a more complete and better understanding between the company, the agent, the public and the insurance department is here."

Wants Fire Companies to Cover Only Property Loss

(CONTINUED FROM PAGE 6)

to or destruction of the property of another person should be left to another type of carrier. I believe the fire company may very properly extend its contracts to include losses to property from all risks and write the policy in one simple contract. But the necessity of maintaining proper loss reserves for third party claims, over long periods of time, makes it imperative that the solvency of property insurance carriers be not jeopardized by underrating such risks."

Offers Underwriters Agency Solution

Referring to underwriters agencies he said: "I hold to the idea that the way to get rid of underwriters agencies is to abolish agency limitation. The local agent himself can control the number of agents of any company in any community. If he gives a company a good volume of desirable business he can tell the special agent of that company not to appoint any more agents in his town. I admit that the trend is not with my argument but certainly neither the agents nor you can claim to have made much progress under your own plans."

He expressed the view that, "insurance is a business rather than a profession. I have little or no sympathy with

the idea that an insurance agent is a professional man. Business as it is carried on in this country is just as respectable as any of our professions, either real or so-called. We are engaged in a business of the very highest order. To change the insurance agent's name is like calling a barber a tonsorial artist and the undertaker a mortician."

While there have been certain changes and new types of coverage which it behooves the special agent to understand, the essentials of the business have not materially changed in many years, said Mr. Homer.

"Frankly, I doubt whether fire insurance will undergo much change in the next ten years," he said, pointing to papers presented before the F. U. A. P. more than 40 years ago in which problems presented show a striking parallel to present day "troubles."

Regarding proper rates and governmental supervision, Mr. Homer said: "I am a firm believer in proper governmental supervision of the insurance business and I hope that supervising authorities will in the future be a little more inquisitive into the affairs of companies to the end that no company may be permitted to assume liabilities or to issue contracts against losses for which it is not being paid a proper premium or is unable to set up adequate claim reserves. Much has been said on the subject of federal control of insurance as opposed to state control. Frankly, I anticipate little or no change in this respect. For my own part, I prefer the state supervision as we now have it, with all of its objectionable features and really shudder to think what might happen to our business under a federal control."

Casualty Engineers Group of Chicago Plans O. D. Work

The Casualty Engineers Association of Chicago will meet Friday to hold an open meeting for discussion of insurance problems. There will be opportunity for asking questions on any line of coverage of special interest.

The association is sponsoring a course in occupational disease exposures and industrial hygiene, to consist of 16 lessons conducted by Dr. C. W. Muehlberger. Lectures will start in the early part of this month. Information on the opening date can be obtained from Alex. Davis, Hartford Accident & Indemnity, Insurance Exchange.

Subjects will include lead and lead compounds, other metals, industrial acids and alkalies, carbon monoxide and industrial gaseous poisons, industrial solvents, dyes, dusts, phosphorus, radium and tobacco.

Nine Compulsory Act Bills Are Filed in Massachusetts

BOSTON, Feb. 3.—Nine bills relating to the compulsory automobile liability act, all of which would compel the insuring company, directly or indirectly, to renew compulsory liability policies at the end of the year, were given hearing before the insurance committee of the Massachusetts legislature. Counsel J. W. Downs of the Massachusetts Insurance Federation opposed all the bills, stating they were unconstitutional. He read a supreme court decision of 1935 to the effect the compulsory act went as far as the legislature could go in forcing insurance companies to renew policies upon expiration. Although it was claimed 30,000 car owners were unable to secure insurance last year, he said, only 2,500 were heard by the board of appeal on motor rates in 1936, and companies were upheld in about half of these cases.

Announcement is made of the engagement of Miss Barbara O'Neal, daughter of Mr. and Mrs. Fred R. O'Neal, Beloit, Wis., to W. G. Tinker, engineering executive of a large Beloit industry. Miss O'Neal is associated with her father in the O'Neal agency.

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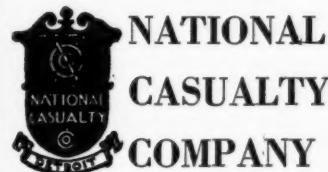
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ACCIDENT AND HEALTH

Compulsory Health System

**New York State Journal of Medicine
Gives Results of the Scheme in
Germany**

NEW YORK, Feb. 3.—Under compulsory health insurance in Germany doctors are decreasing in number, and bureaucratic clerks and functionaries are increasing, and now outnumber the doctors, according to an announcement in the February issue of the "New York State Journal of Medicine."

Quoting from a report issued by the League of Insurance Physicians of Germany the "Journal" states: "There were 30,559 insurance physicians employed in the Third Reich according to a report of July 1, 1936. In 1933 there were 32,620 so employed. Thus there was a decrease of 2,061 doctors despite the fact that in the same period the number insured was increased by more than 2,000,000 persons.

Personnel Is Increased

"According to the National Bureau of Statistics the administrative personnel of the sick insurance societies numbered 35,635 persons in 1934, and 36,229 persons in 1935. The lay personnel seems to have increased by approximately 600 in one year, but the physicians to handle an enormous number of additional patients were reduced by about 2000."

Dr. T. M. Townsend of New York City, chairman of the committee on medical trends of the state society, issued a statement in which he warned the public to expect a barrage of propaganda to promote in this country a compulsory health insurance law patterned after the system in effect in Germany and other European nations.

"If the public does not awake to the dangers to their health which such a scheme for mass medicine will bring with it, they are likely to have foisted on them a system by which they will be subjected to a payroll tax for medical service. In addition the working man will be required to contribute to the support of an army of clerks, supervisors, statisticians, health study experts, snoopers, arguers and propagandists. Everywhere that compulsory insurance is in operation vital statistics prove that the health of the people is below the standard now existing in the United States."

Form Disability Division to Sell New A. & H. Contract

A disability division has been organized in the Chicago branch office of the Continental Casualty, L. H. Rote being named assistant to Manager A. D. Anderson of the accident and health department in charge of the new division. It starts off with a new type of accident and health contract providing low cost protection for workers in hazardous occupations, such as janitors, milkmen, machinists, butchers, mechanics, artisans, etc.

The new policy pays accident indemnity from one day to one year and illness indemnity from the eighth day to six months, full benefit being paid for one month for nonconfining disability. An additional rider at a small uniform extra premium of \$6.60 annually provides complete hospitalization at \$4 a day for 30 days for accident or health resulting from any one disability. It also provides surgical expense for accident and health operations.

Mr. Rote was connected with the Continental Casualty in the Rochester, N. Y., agency, then had experience with the company in Milwaukee. He also was with the United States Fidelity & Guaranty there and has been for some 14 years in the business.

Announcing Three Speakers

**Dr. Greaves, H. S. Don Carlos and
Berkeley Cox to Give Addresses at
Annual Meeting**

Dr. Hubert Greaves, professor of public speaking Yale University; H. S. Don Carlos, chief adjuster Travelers and Berkeley Cox, associate counsel Aetna Life, will be the outside speakers at the annual meeting of the Bureau of Personal Accident & Health Underwriters at the Westchester Country Club, Rye, N. Y., May 19-20.

Federal A. & H. Leaders

The E. F. Faner agency of Peoria, Ill., ranked first in the Federal Life accident and health department in 1936 on a quota basis. The office wrote more than four times the premium volume assigned to it, and had 425.81 percent of the quota. S. H. Birgel of Chicago ranked second with 307.06. J. D. Thomas of Lima, O., was third with 168.95; J. L. Wimbish, Orlando, Fla., fourth with 162.97; F. C. Reed, Marshalltown, Ia., fifth, with 151.85 percent; G. E. Meier, Peoria, sixth, with 147.54, while five others exceeded their premium quotas.

In paid volumes the past year Mr. Reed ranked first, R. B. Oshier of San Francisco, second; Mr. Meier third, H. C. Voorhies of Chicago fourth, and P. M. Edge of Charlotte, N. C., fifth.

Chicago Stag This Week

The Chicago Accident & Health Association's annual stag is being held Feb. 4 at the Hamilton Club in Chicago. Plans for National Accident & Health Week will be considered at a special committee meeting Feb. 16.

Plan Detroit Congress

DETROIT, Feb. 3.—R. J. Long, Great Northern Life, president Detroit Accident & Health Association, has ap-

pointed R. M. Rowland, National Casualty, a past president of the club, chairman of the general committee in charge of the Accident & Health Sales Congress to be held in April. Fred Grainger, Federal Life & Casualty, also a past president, has been appointed chairman of the program committee for the congress.

The annual stag party brought out a large attendance. The entertainment provided was the most elaborate ever presented by the organization. Eddie Lee of Station WXYZ was master of ceremonies.

Prepare Hospitalization Report

A report on hospitalization plans is being prepared by the American Medical Association bureau of medical economics to be considered at the annual meeting in June. Difficulty is being found in collecting adequate statistics on which to base conclusions.

San Francisco Club Meets

SAN FRANCISCO, Feb. 3.—The Accident & Health Managers Club of San Francisco at its luncheon meeting today discussed plans for National Accident & Health Week.

George Kemper, Fireman's Fund Indemnity, chairman of the public relations committee, reported on proposed legislation.

Approve Poster Design

The poster design for National Accident & Health Week, shown elsewhere in this issue, was approved at a meeting of the general committee in New York City. The "68" button which proved so popular last year will be used again. Arrangements were made for publication of a booklet. Approval was given three radio scripts which will be prepared for electrical transcription and offered to accident and health associations, companies and individual agencies.

Hazlett Leaves Northern Life

J. C. Hazlett, manager of the home office accident and health department of the Northern Life of Seattle has resigned.

WORKMEN'S COMPENSATION

Expect Rational Reformation

Senior, at Meeting of New York Rating Board, Says Hope Exists for Experience Rating Betterment

Leon S. Senior, manager of the Compensation Insurance Rating Board of New York, at the annual meeting, expressed the belief that out of the storm of debate concerning the new form of experience rating for large risks will come a rational reformation of the experience rating plan. This plan is now being studied in committees of the board and of the National Council, he said.

Mr. Senior outlined the general rate revision that became effective last July and the reductions in O. D. rates for classifications subject to dust hazard. A substantial increase in premiums in 1936 is indicated, he said. Possibly the volume may exceed the record year of 1929.

Much attention will have to be given to the medical provisions under the act, according to Mr. Senior. A number of conferences were held with the labor department, but there still remain a number of unsettled questions to be disposed of by the commissioner or by rulings of the attorney-general or courts.

Dr. R. N. Gray, surgical director Aetna Life, gave a review of the medical and claim committee in relation to the problems arising out of the 1935 amendment to the compensation act.

D. S. Beyer, Liberty Mutual, discussed some of the problems confront-

ing the O. D. committee in establishing a plan for rating the dust hazard in foundries.

G. H. Hipp, State Insurance Fund, gave an appraisal of the retrospective rating plan.

Several amendments affecting the internal setup of the board, were adopted.

Liberty Mutual and Globe Indemnity were elected members of the governing committee. The holdover members are Lumber Mutual Casualty, State Insurance Fund and Travelers.

Retrospective Rating Plan Given Approval in Alabama

MONTGOMERY, ALA., Feb. 3.—Superintendent Julian of Alabama has informed the National Council on Compensation Insurance that the retrospective compensation rating plan may become operative in Alabama. In a letter to the National Council Mr. Julian said the department had given careful consideration to the plan which "is equivalent to an optional arrangement under which a portion of the risk is insured in the regular manner and the balance is practically self-insured, except that as to the latter the insurance company assumes full liability to third parties and extends full service to the assured. On the portion of the risk that is fully insured in the regular manner, the premium is determined on the basis of the established rates in exactly the same manner that has always been rec-

ognized as proper in this state for other plans of partial insurance. The department therefore holds that the plan embodies the optional application of existing rate principles, coupled with what is in effect partial self-insurance, and hence does not require specific approval but may be used by carriers in accordance with the filings which the council has made with the department."

In November Mr. Julian held a public hearing at which the plan was bitterly contested by the mutual companies principally on the ground that the proposal was highly discriminatory.

Mr. Julian also approved a proposal of the National Council for general revision of occupational disease rates in Alabama although the state does not have any specific occupational disease laws.

Wisconsin Reduction Ordered

MADISON, WIS., Feb. 3.—Following a series of conferences between Commissioner Mortensen and officials of companies writing workmen's compensation risks in Wisconsin, a formal order has been issued for a 10 percent reduction in rates, retroactive to Nov. 1, 1936. The commissioner is withholding his decision on the petition of manufacturers subject to the silicosis hazard for the basing of the premiums on that hazard on 1935 and 1936 experience, instead of on a five-year average. The order on this factor may not be issued for several weeks, it was indicated.

Report on Oklahoma Fund

OKLAHOMA CITY, Feb. 3.—After a complete examination, the investigating committee of the Oklahoma house reported the Oklahoma insurance fund in sound financial condition and operated on a satisfactory basis. Testimony given during the investigation revealed that since its inception the state had contributed nothing to the fund's operation although \$25,000 had been appropriated for this purpose.

The committee recommended that the law be amended to remove it from political interference.

It further recommended that the fund be placed under a single commissioner and that the fund should furnish coverage to all types of risks, large and small, as an economic necessity to business of Oklahoma.

Reject Compulsory Idea

BALTIMORE, Feb. 3.—The commission for the revision of the Maryland motor vehicle laws announces that the idea of compulsory insurance for automobile drivers has been considered in the revamping of the motor law code and has been turned down. W. D. Allen of the commission said the matter of compulsory insurance is a controversial subject and because of that had not been incorporated in the new code.

Mead on Coast Trip

R. C. Mead, actuary of the State Farm companies of Bloomington, Ill., has been on a trip to the Pacific Coast, visiting Seattle, San Francisco, Berkeley and Los Angeles. He conducted meetings at each agency he visited.

Frank T. Priest has been elected a director of the Wichita Club.

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FIDELITY AND SURETY NEWS

K. C. Fidelity Bond Campaign

Drive Similar to That Conducted in New York Is Planned for Missouri and Kansas

KANSAS CITY, Feb. 3.—A fidelity bond production campaign, similar to the one worked out by the New York City fidelity bond production committee headed by Martin W. Lewis, has been tentatively planned for western Missouri and Kansas by the Casualty & Surety Underwriters Association.

If the program goes through, as it is expected to, it will be the first time the idea will have been tried outside the big cities, in a city the size of Kansas City and in an outstate territory.

The campaign here necessarily would differ from that in New York as the appeal there was to brokers and agents. In the Missouri-Kansas territory, fidelity men estimate that there are 7,500 to 10,000 available fidelity risks, so that advertising material can be put directly into the hands of every prospective assured. This direct mail campaign to prospective customers would be supplemented by a speakers campaign, a mail campaign to agents, plus the direct efforts of each participating company.

The companies would back the campaign. It is estimated that at least 20 companies will be available for participation in the Missouri-Kansas promotion.

Gordon Fisher, president of the Casualty & Surety Underwriters Association, later will appoint a general committee to handle the campaign. The tentative plan is to make arrangements for regional and state agency meetings to include fidelity speakers on the pro-

gram. Speakers will be furnished for luncheon clubs and chambers of commerce. Bankers, lawyers and other insurance buyers will be invited to address agency meetings on subjects expressing the buyer's point of view.

Much of the material used in the New York campaign will be available for use in the campaign here.

Chicago Passed Up

NEW YORK, Feb. 3.—Complete harmony obtained at the gathering of the Surety Acquisition Cost Conference here Jan. 29, when the rules of the organization were considered and several minor changes therein favored. Though it had earlier been anticipated special attention would be devoted to the Chicago situation, the matter was not even mentioned, according to report.

Allen Cost Committee Head

Welles Allen, Standard Accident, has been elected chairman of the New York City agency committee of the Surety Acquisition Cost Conference. He takes the place vacated by E. B. Southworth, Aetna Casualty, who is retiring from business. J. R. Wells, Employers Liability, is the new vice-chairman. Resolutions were adopted in praise of Mr. Southworth and John S. Turn, also of the Aetna Casualty, who is retiring.

Southern California Cost Meet

LOS ANGELES, Feb. 3.—The meeting here of the fidelity and surety acquisition cost conference of southern California was devoted to discussion of the annual report of the conference and the adoption of a new constitution and rules similar to those recently adopted by the northern California organization.

CASUALTY PERSONALS

Richard D. Searles, manager in Chicago for the Fidelity & Deposit, has been suffering from a throat infection that has been a problem to the physicians. He has been away from his desk about five weeks and is now in Evanston hospital, Evanston, Ill.

L. H. Webb of Conkling, Price & Webb of Chicago left early this week for a few weeks stay in southern California.

Edward Bepler, 46, for many years an adjuster for the Oregon Automobile, died at his home in Portland.

W. J. Kroder, American Automobile general agent in Portland, Ore., has been a visitor at the home offices in St. Louis and the branch in Chicago. He conferred with President L. A. Harris and E. D. Loring, resident vice-president at Chicago.

C. S. Ashley, mayor of New Bedford, Mass., and head of the Maryland Casualty agency there, is retiring as mayor after completing 27 terms extending over 32 years. He is 78 years of age. Only twice in his career has he been defeated.

Immediately on leaving the city hall he entered his son's insurance business, Charles S. Ashley & Sons. He is the father of Charles S. Ashley, resident vice-president of the Maryland Casualty in New York City.

H. A. Behrens, head of the Continental Casualty and Continental Assurance, of Chicago, leaves next week to be gone until April. He will first go to the Mexican coast along Lower California for deep sea fishing. Later he will tarry in Los Angeles, then go to San Francisco to his home on Belvidere Island in San Francisco Bay.

Fred S. Axtell, 78, vice-president Fidelity & Deposit, died at his home in Baltimore. Although he had been in failing health for several months, he had visited his office a few hours each day until a week before his death.

Mr. Axtell entered the employ of the Fidelity & Deposit in 1893, the third year of its existence, as private secretary to its founder, the late Edwin Wardfield. He had previously been in newspaper work in Baltimore. At the end of his first year with the F. & D., he was promoted to superintendent of agents and played an important part in developing the company's field organization. He was elected a vice-president in 1912 and later he served for several years as head of the reinsurance department.

L. F. Middlebrook, secretary of the Hartford Steam Boiler, died this week. He was 70 years of age, having been born May 28, 1866, at Trumbull, Conn. He was educated at the Connecticut Literary Institute at Suffield, Conn. He served as an ensign in the U. S. Navy. He went with the Hartford Steam Boiler in 1885, was elected assistant secretary in 1897 and secretary in 1921. He died at his home in West Hartford. He was

the author of several books on U. S. maritime and naval history. He was a naval aid to Governor McLean of Connecticut with the rank of captain. He is survived by Mrs. Middlebrook and a son, L. F., Jr. Mr. Middlebrook was noted for his designing of sailing vessels. Frequently when there was a historical description of a boat he could make a miniature from it. In his office there are paintings of boats and miniatures that he constructed.

Death claimed **Clarence T. Gray**, assistant United States manager of the European General Reinsurance, at his home in Ridgewood, N. J. Funeral services were held Tuesday. Surviving, in addition to the widow, is a son, Thrasher, a student at Lehigh University. A native of Massachusetts, having been born at Ayre Junction in 1882, Mr. Gray received his scholastic training at Williston Academy and at Dartmouth College, graduating from the latter in 1906. His underwriting career began as a representative of the American Bonding in Denver; subsequently he associated with the Aetna Casualty in Cleveland. Later for a short period he was identified with the Republic Casualty of Pittsburgh. He joined Fester, Fothergill & Hartung, then United States managers of the European General in 1916. While Mr. Gray's initial training was in the fidelity and surety field, upon his association with the European General he studied the various casualty lines as well and soon became a recognized authority. Possessed of unusual analytical powers and broad vision he followed developments in the underwriting world with marked intelligence and aided materially in upbuilding the business of his company. Of a kindly disposition, ever ready to go out of his way to help another, he had, as he deserved, a host of friends in the fraternity, by whom he will be greatly missed. He had been in ill health for three or four years.

Becomes a Self-Insurer

NEW YORK, Feb. 3.—Authority for the Central Greyhound (Bus) Lines of New York to become a self-insurer has been granted by the Public Service Commission. The order calls for the depositing of \$20,000 with an accredited bank or trust company for the payment of claims caused by accidents resulting in the loss of life or injury to passengers or others, or to property for which it may be liable. Coverage for the settlement of claims in excess of the initial \$20,000 must be secured from a casualty company.

W. T. Eppink, assistant treasurer Merchants Mutual Casualty, has been elected a director of the Greater Buffalo Advertising Club.



250 ROOMS **250** SINGLE WITH BATH
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ACCIDENT AND CASUALTY INSURANCE COMPANY
OF WINTERTHUR, SWITZERLAND
111 JOHN STREET
NEW YORK

Statement January 22, 1936

ASSETS

U. S. Treasury Bonds and Notes	\$1,390,291.54
Other Bonds	484,505.00
Stocks	137,543.87
Accrued Interest	16,519.07
Cash in Banks	<u>1,037,080.82</u>
	\$3,065,940.30

All Securities taken at Market Value January 22, 1936.

LIABILITIES

Voluntary Contingency Reserve	\$ 563,940.30
Statutory Deposit, New York	850,000.00
Net Surplus above Deposit	<u>1,650,000.00</u>
Surplus to Policy Holders	<u>2,500,000.00</u>
	\$3,965,940.30

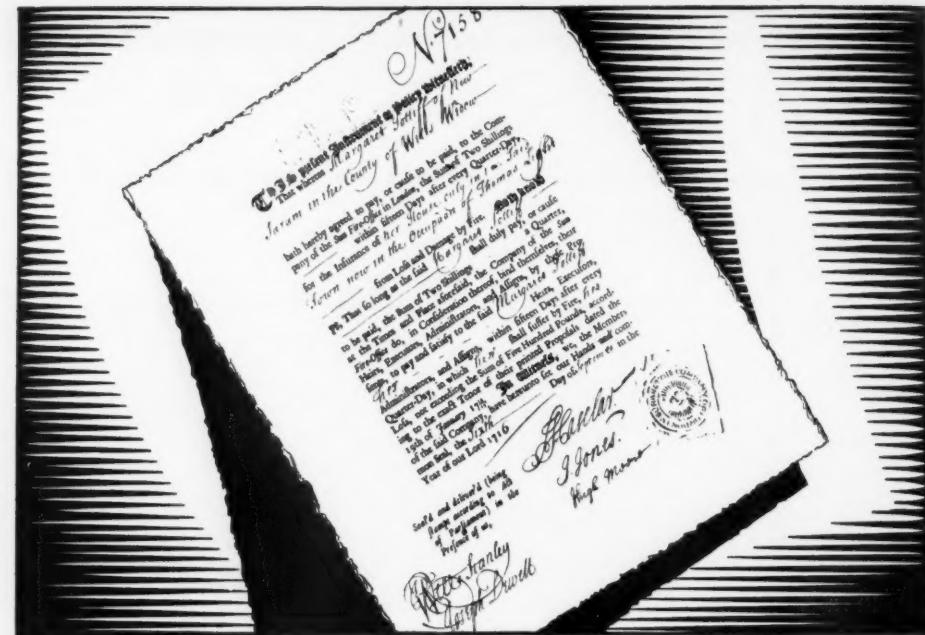
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THROUGH THE CENTURIES-WITH THE SUN



Reproduced above is Sun Policy No. 7158 issued to Margaret Jolliff, September 6, 1716. As long as Margaret Jolliff continued to pay "the Sum of Two Shillings within fifteen days after every Quarter-Day," her house was protected against loss and damage by fire by the Sun Fire Office of London, not to exceed "the Sum of Five Hundred Pounds according to the exact Tenor of the printed Proposals."

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